

# The NATIONAL UNDERWRITER



## ■ A SALUTE TO THE STATE OF CALIFORNIA

California has 158,297 square miles...5.24% of the U. S.  
California has 5,677,251 population...4.62% of the U. S.  
California has more than 2,000,000 registered automobiles and trucks.

Second in area ranks the "Golden State," and sixth in population, with an increase of 65% in the last decade. Few states have the romance and history of this great and immense State, acquired from Mexico in 1846. Gold was discovered in 1848; in 1849 came the gold rush that brought a remarkable settlement and the development that still continues.

Again, in agriculture California has few equals among the states and, indeed, scarcely among the nations of the world. It produces annually crops and livestock that bring in an income of more than \$387,000,000.

Mining, petroleum and motion picture production all contribute to raise California to third place in the value of its exports. The San Francisco-Oakland Bay and Golden Gate bridges are both scheduled for completion in 1937, at a combined cost of \$107,000,000.

*California insures, with the old established stock companies, \$3,159,401,320 of its property values against fire and pays annually \$28,142,424—6.16% of the premiums of the United States.*

### American Equitable Assurance Company of New York

Organized 1918

Capital, \$1,000,000.00

### Merchants and Manufacturers Fire Insurance Company

Newark, N. J.

Capital, \$1,000,000.00

Chartered 1849

### Globe & Republic Insurance Company of America

Philadelphia, Pa.

Capital, \$1,000,000.00

Established 1862

### New York Fire Insurance Company

Incorporated 1832

Capital, \$1,000,000.00

### Knickerbocker Insurance Company of New York

Organized 1913

Capital, \$1,000,000.00

### Sussex Fire Insurance Company

Newark, N. J.

Capital, \$1,000,000.00

Incorporated 1928

### Corroon & Reynolds

Incorporated  
MANAGER

92 William Street

New York

*One of a series designed to acquaint insurance men and insurance buyers with a few facts about our country.*

THURSDAY, MAY 28, 1936

# An Interesting Historical Document *for Insurance Men*

● Fifty years ago, the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Limited, wrote the first liability policy ever written in the United States. The exact date is a bit later in the year. Meanwhile we are having reproduced, as an interesting historical document for insurance men, that first liability policy which naturally differs considerably from those contracts you sell today.

It is our wish that every insurance agent and broker, every employee connected with any casualty insurance office, who feels that he or she would be interested in owning a copy of this facsimile of the first liability policy written in the United States, should receive a copy. We wish to be able to estimate as accurately as possible just how many copies to print.

Will you please cooperate with us?

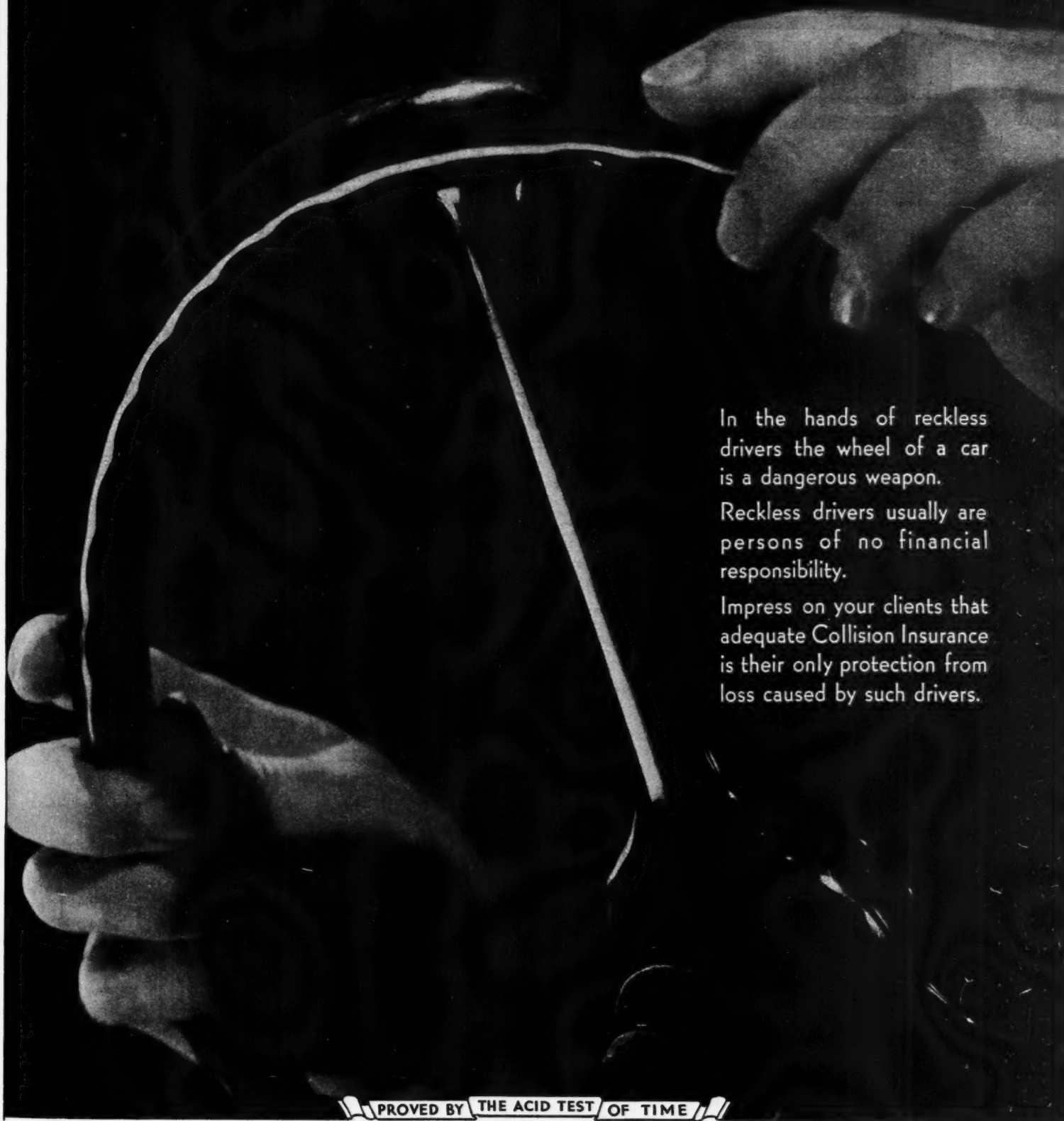
Please write, on your business stationery, to the following address or if you prefer, telephone to the nearest Branch Office and they will record your request.

## The Employers' Liability Assurance Corp., Ltd.

*United States Branch, 110 Milk Street, Boston*



# DANGEROUS WEAPON!



In the hands of reckless drivers the wheel of a car is a dangerous weapon.

Reckless drivers usually are persons of no financial responsibility.

Impress on your clients that adequate Collision Insurance is their only protection from loss caused by such drivers.

PROVED BY THE ACID TEST OF TIME

## *America Fore Insurance*

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane.*



## *and Indemnity Group*

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards  
BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL



# PUBLIC ENEMY

## No 7 Burglary

### COMMON ENEMIES TO GUARD AGAINST

- |                       |                           |
|-----------------------|---------------------------|
| 1 FIRE                | 9 LIGHTNING               |
| 2 MOTOR ACCIDENT      | 10 MARINE DISASTER        |
| 3 WINDSTORM & TORNADO | 11 RAILROAD WRECK         |
| 4 PERSONAL ACCIDENT   | 12 FALLING AIRCRAFT       |
| 5 SICKNESS            | 13 EXPLOSION              |
| 6 DAMAGE CLAIMS       | 14 RIOT or CIVIL COMOTION |
| 7 BURGLARY            | 15 EARTHQUAKE             |
| 8 ROBBERY             | 16 FORGERY                |
|                       | 17 DISHONESTY             |



Fear of Burglars is a universal nightmare. No man-made locks or other precautions can guard with certainty against the "THIEF IN THE NIGHT" or prevent his depredations.

Wherever man's thrift has accumulated articles of value the IMPS OF THIEVERY hover nearby and sooner or later the ruthless hand of the robber will strike.

Therefore, wisdom counsels the only positive protection—INSURANCE, which alone can remove the constant dread of loss that so often impairs the full enjoyment of our possessions.

## LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853  
 The Mechanics Insurance Co. of Philadelphia " 1854  
 Superior Fire Insurance Company " 1871  
 The Metropolitan Casualty Insurance Co. of N.Y. " 1874

### WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

### CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

### EASTERN DEPARTMENT

10 Park Place  
 Newark, New Jersey

Milwaukee Mechanics' Insurance Company ORGANIZED 1852  
 National-Ben Franklin Fire Insurance Co. " 1866  
 The Concordia Fire Insurance Co. of Milwaukee " 1870  
 Commercial Casualty Insurance Company " 1909

### PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

### SOUTH-WESTERN DEPT

912 COMMERCE STREET, DALLAS, TEXAS



# The National Underwriter

## WEEKLY NEWSPAPER OF INSURANCE

Fortieth Year—No. 22

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 28, 1936

\$4.00 Per Year, 20 Cents a Copy

### Illinois Men Hit Political Control

Agents, in Decatur, Plot Campaign to End Diversion of Business

### HOLD MID-YEAR PARLEY

New Occupational Disease Law, New Qualification Measure, London Lloyds, Share Attention at Meet

By LEVERING CARTWRIGHT

The many timely insurance issues confronting the business in Illinois—new occupational disease legislation, London Lloyds, new agents and brokers license law, insurance code—as well as national issues—auto finance business, retrospective compensation rating, pro-stock propaganda—were all reflected in the mid-year meeting of the Illinois Association of Insurance Agents in Decatur. Because there was so much topical and informative material being presented, as contrasted with convention oratory pumped up for the occasion, interest was keen throughout the sessions and there were very few lobby cynics.

Attendance of local agents was representative and there was an exceptionally large turnout of fire insurance field men, since on Monday there was a Blue Goose golf tournament and dinner, and on Thursday the Illinois State Fire Prevention Association is conducting an inspection of Decatur.

#### Committee Reports Given

In the morning the committee chairmen gave their reports. Particular interest was shown in the report of Rockwood Hosmer of Chicago as chairman of the legislative committee. A lively period of informal discussion followed, during which ideas were exchanged on the supplemental contract, auto finance business, etc.

In the afternoon three speakers were heard: J. O. Brown of the insurance department on the new agents' license law; R. W. Miller of Chicago, who made a great hit with an exposition of the new Illinois occupational disease law; and Wallace Rogers of the Western Underwriters Association on the pro-stock bulletin service of the W. U. A.

#### Several Pointed Resolutions

Several pointed resolutions were adopted. Particular interest was exhibited in the resolution condemning diversion of business by politicians. Due to the fact that so many properties became distressed during the depression, through receivership, etc., the politicians had an opportunity to extend their insurance spoils operations and some of the state officials and those in Chicago have been making hay.

Copies of the resolution on this subject are to be reprinted with the idea of

(CONTINUED ON PAGE 43)

## Supplemental Contract Brought Some Problems

By JAMES C. O'CONNOR

NEW YORK, May 27.—With the first flush of enthusiasm for the supplemental contract over, eastern fire insurance men are settling down to analyzing the initial effects and to smoothing out the inevitable difficulties and inequities which arise whenever a sweeping change is introduced. In many respects, the situation parallels that which the middle west experienced during the past year.

First reports indicate that the southern states are using the contract more generally than those under E. U. A. jurisdiction. The tornado hazard is greater in S. E. U. A. territory and more windstorm insurance was carried, most of which has been converted to the supplemental contract. Since the contract must be carried in the same amount as the underlying fire insurance, the result has been a considerable increase in the amount of windstorm insurance, most assured commonly carrying windstorm to only 50 percent of value before the introduction of the new form.

#### Greater Volume in East

Because of greater values, supplemental contract premiums in E. U. A. territory will undoubtedly exceed southern volume before the year is out. Initial writings in E. U. A. territory have been largely on lines which previously carried a good volume of riot and explosion insurance. At least one company which has promoted the sale of riot and explosion successfully in the past expects to lose heavily in reduced premiums in the east, although production men feel confident the loss will be made up as the supplemental policy spreads to other risks.

#### Smoke Damage Out

Some criticism has been heard from agents and field men regarding the lack of smoke damage cover in the E. U. A. contract. This is a mandatory part of the middle western and S. E. U. A. forms. The explanation given is that the underwriters felt that the smoke cover appeals only to assured using oil heat—a minority—and that it was not fair to load the supplemental rate for the benefit of this minority. Smoke damage can be purchased separately where needed.

The E. U. A. supplemental contract for business properties requires coinsurance. Considerable property in New York state has been written for fire without coinsurance and some producers anticipate difficulty in getting assured to accept coinsurance where they have not previously carried it. While no official pronouncement has been made, the probability is that rating bureaus will be requested to publish special rates in cases where coinsurance cannot be sold.

The rental value coverage in the S. E. U. A. form has also come in for much criticism. Rental value is included as an additional coverage, but no extra amount of insurance is placed on it, recovery under the fire policy and the supplemental contract being restricted to the face of the fire policy. In the event of a total loss, from any cause, dissenters

argue, the policy would be exhausted and the insured would have no rental value insurance at a time when he would most probably need it.

In other jurisdictions, rental value may be included as a separate item in the dwelling form, with a definite amount of insurance placed upon it. If the supplemental contract is added, the assured then has rental value insurance extending to any hazard covered by the fire policy or the supplemental contract, and in case of a total loss from any insured hazard, he still has the full amount of rental value protection.

#### Reinsurance Problems

A number of companies are finding themselves compelled to consider revising reinsurance arrangements on certain classes. There are many risks which are excellent from a fire viewpoint and on which large lines are carried, but which present unusual windstorm or explosion hazards. On such risks the tornado line has been marked lower than the fire line and the companies have declined or reinsured windstorm insurance above a certain point, while accepting the full fire line. Since the supplemental contract and the fire policy are indivisible under existing reinsurance arrangements, the companies are at present torn between reducing the entire line or carrying more windstorm or explosion liability than they had previously thought advisable.

In a number of centers, rate inequalities have developed and attempts are being made to iron them out. Companies have received protests from Baltimore agents because the supplemental contract rate in that city is higher than in other localities which they believe present the same windstorm and other hazards. Similar situations have arisen in parts of New Jersey.

#### Stock Companies Pleased

The feeling among many stock fire executives is that the authorization of the supplemental contract will be of great assistance to the cause of the stock companies with the public. They believe that this forward step cannot be charged to the pressure of mutual and other competition, that the stock companies have taken the initiative in the development of comprehensive forms of cover and that this should give them a psychological advantage. The supplemental contract has received considerable favorable notice in various business and trade papers, with the accent on the progressiveness of the fire companies.

Observers of human nature have noticed the large amount of residential business coming in with the supplemental form attached. Most of this business comes from territories where the contract has been in force for dwelling risks for years, but agents and field men had never pushed it until the supplemental policy for business risks attracted much publicity and focused attention on it. Now the contract is being sold to owners and tenants on dwellings as a new coverage.

## Shows Extent of Rate Reductions

Combined Experience of 14 Mid-western States Indicates 22 Percent Drop

### W. U. A. MAKES ANALYSIS

Principal Reasons for Decline in Premiums of Stock Companies Were Other Than Competitive

The average rate paid for stock fire insurance in 14 of the Western Underwriters Association states declined 22.35 percent from 1930 to 1934, inclusive, according to studies made by the association. Missouri figures are omitted.

This substantial decrease is held to be largely responsible for the decline of 28.4 percent in agency premiums during the same period, particularly since the amount of fire liability written from 1930 through 1934 declined only 7.48 percent.

#### Competitors Didn't Gain

During the period which covered the worst years of the depression, agency premiums of stock companies declined 28.4 percent, or \$69,886,598 less than the 1930 level. That little or none of this business went to non-stock carriers is indicated by the fact that mutual premiums also declined 16.93 percent, or \$3,458,000, in the same period, the W. U. A. observes.

Stock companies received 88.26 percent of the total premium in W. U. A. states in 1930, 86.66 percent in 1933 and 86.63 percent in 1934, the study shows. Because their reported premiums decreased less than those of the stock companies, the mutual fire companies increased their proportion of participation in total premiums from 11.74 percent in 1930 to 13.37 percent in 1934.

#### Extent of Liability

Stock companies placed \$19,696,835,688 of fire liability on their books in these states in 1934, a decrease of \$1,604,117,933, or only 7.48 percent from the high point of 1930. The premium studies are based on reported fire, windstorm and automobile premiums, but do not include business of specialty automobile companies, such as General Exchange, nor strictly marine companies. In all but four of the states the farm business of stock companies and the writings of the farm mutuals are left out of consideration. Agency premiums of stock companies totaled \$242,419,828 in 1930, and dropped off to \$158,647,198 by 1933 in these states. The increase of 9.4 percent in 1934 brought their total back to \$173,562,830. In 1930 mutual premiums totaled \$32,231,607, but they had declined 24.24 per cent by 1933. Their increase in 1934 was about the same as that of the stock companies, 9.6 percent, their 1934 total being \$26,773,598.

(CONTINUED ON PAGE 42)

## Michigan Move on General Stirs Lively Controversy

### SULLIVAN ENTERS THE FRAY

**Asks Ketcham to Reconsider Action,  
Threatens Retaliation on Michigan  
Companies in Washington**

LANSING, MICH., May 27.—The General of Seattle is putting up a spirited battle, chiefly through the Washington department, to maintain its 20 per cent rate deviation in Michigan, ordered discontinued as of May 15 by the Michigan department.

Upon receipt of notification from the Michigan authorities that approval of the deviation had been rescinded, the General took the matter up with Commissioner Sullivan of Washington, who interceded for the company with the Michigan department. An extensive telegraphic correspondence between Commissioners Sullivan and Ketcham has ensued.

#### Sullivan Asks Approval

Commissioner Sullivan asked that the deviation be approved again, to remain effective at least until he is able to discuss the matter personally with Commissioner Ketcham during the commissioners' convention next month at St. Paul. He cited the fact that all fire companies, including three domiciled in Michigan, are writing Washington business at a 30 per cent deviation from the rates promulgated by the Washington Surveying & Rating Bureau. He said that under the retaliatory laws of his state it appeared that he would find it necessary to require the Michigan carriers to write future Washington business at full manual rates, thus putting them on an impossible competitive basis. The carriers affected are the Detroit Fire & Marine, Michigan Fire & Marine and Michigan Millers Mutual.

Commissioner Ketcham pointed out that in Washington all companies are writing at a uniform deviation, while the General would be alone in operating on a cut-rate basis in Michigan.

The controversy will undoubtedly continue, perhaps culminating when the two commissioners meet at St. Paul. Commissioner Ketcham has given no indication, however, of abandoning his position in disapproving the deviation.

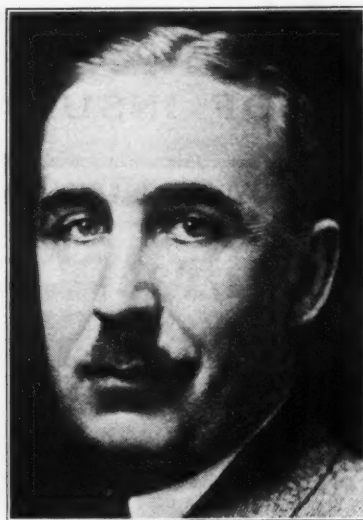
## Fraternal Life Societies Seeking to Oust O'Malley

Fraternal life insurance societies operating in Missouri are seeking the scalp of Superintendent O'Malley. They are forming a state-wide general campaign committee to work against the nomination of L. C. Stark, of Louisiana, Mo., as Democratic candidate for governor. This action followed conference with Stark, when the fraternalists sought a pledge from him not to reappoint O'Malley as superintendent if Stark is elected. They also asked if he approved O'Malley's suits to collect about \$15,000,000 in back premium taxes and license fees from fraternalists. O'Malley's name was not mentioned in the meeting but the inference was plain. Some time ago the fraternalists mustered their forces, inducing members to send more than 100,000 letters, telegrams and phone calls to legislators while O'Malley's insurance code was being considered. This code would have imposed premium taxes on fraternalists, which in all jurisdictions have been exempt due to their beneficial and charitable features. The code was decisively beaten.

### State Farm Fire Program

The State Farm Fire of Bloomington, Ill., which was organized last year as a running mate of the State Farm Mutual Automobile, expects to have earned premiums in 1936 of \$200,000. It

## Pittsburgh Convention Chiefs



CHARLES C. KOHNE

C. C. Kohne of the John S. Kohne Company, president Pittsburgh Association of Insurance Agents, announces that a six-man committee, to be known as the general convention committee, will supervise the annual meeting of the National Association of Insurance Agents in Pittsburgh Sept. 28-Oct. 2.

James W. Henry, president of the Pennsylvania Association of Insurance Agents, has been chosen as chairman of the new committee. Other members of the general convention committee are Wallace M. Reid, R. W. Alexander, Hoover & Diggs; W. Ray Thomas, president Logue Brothers & Co., H. E.



JAMES W. HENRY

McKelvey, of Edwards, George & Co.; A. Blumenthal, Benswanger, Hast & Herzog Company, and Mr. Kohne.

Mr. Kohne, who has been president for several years of the Pittsburgh association began his insurance career in 1906, after graduation from the Wharton School of Commerce & Finance, University of Pennsylvania. He started as a clerk with the insurance firm his father founded in 1873 as the John S. Kohne Company. In 1922 after a series of promotions, Mr. Kohne (his name is pronounced Coney as in Coney Island) became a partner in his father's firm.

is now getting licensed in Alabama and after being entered there it will be admitted to 13 states. Further geographical expansion is not planned this year.

So far, most of its writings have been from the farm line. In states where it is permitted State Farm writes a participating policy paying 20 per cent.

## THE WEEK IN INSURANCE

**Western Underwriters Association** prepares exhibit of the combined stock and mutual experience during the depression years in 14 of the W. U. A. states. **Page 3**

**Mid-year meeting of the Illinois Association of Insurance Agents** was held this week at Decatur, Ill. **Page 3**

**Michigan action on deviations** by General of Seattle starts controversy between Commissioners Ketcham and Sullivan. **Page 4**

**Sim E. Wherry**, formerly associate manager at Philadelphia for the Home, has been transferred to Chicago by that company to take an executive position in the Chicago service department. **Page 5**

**Rockwood Hosmer** gives report on important Illinois legislative problems at meeting of local agents' association of that state. **Page 5**

**Former Commissioner Garfield W. Brown** of Minnesota has joined the American Mutual Alliance as special counsel. **Page 17**

**Drastic change in procedure** in passage of national legislation urged by J. F. Essary of Baltimore "Sun," at Insurance Advertising Conference **Page 8**

**Program is announced** for the annual meeting of the Minnesota Association of Insurance Agents. **Page 18**

**Program for the annual meeting** of the Kentucky Association of Insurance Agents to be held June 4-5 is announced. **Page 20**

**J. C. Harding**, western manager of the Springfield F. & M., has been made chairman of the western regional committee of the National Automobile Underwriters Association. **Page 26**

**Indemnity of North America** brings out new liability policies to fit needs of

banks, trust companies and other fiduciaries. **Page 29**

**J. C. O'Connor**, editor "Fire, Casualty & Surety Bulletins," makes some observations on the supplemental contract in the east and south. **Page 3**

**Committees named for National Association of Insurance Agents** convention in Pittsburgh, J. W. Henry general chairman. **Page 4**

**Representative Cannon** of Wisconsin charges insurance companies with "fraud and deceit" in resolution asking Congressional investigation. **Page 5**

**South Carolina Association of Insurance Agents** holds annual convention on board steamship. **Page 8**

**Hold harmless indemnity** becoming very popular since indefinite limit was changed by companies to \$25,000 per assured. **Page 32**

**Indiana Insurance Day** was celebrated at Indianapolis when the annual meeting of the Indiana Insurance Federation was held. **Page 26**

**Program is announced** for the annual meeting of the New York Insurance Federation at Buffalo. **Page 30**

**The Surety Association of America** is working on new forms of bankers' blanket bonds for Illinois following the recent ruling of the state authorities. **Page 29**

**Smaller and medium sized risks** offer good opportunities in casualty and surety field, declares H. P. Dunham, vice-president American Surety, before Monmouth county association at Asbury Park, N. J. **Page 20**

**Rates committees** of the National Council on Compensation Insurance adopts subjoined resolution approving the retrospective rating plan. **Page 29**

## Committees Are Named for National Agents Gathering

### HENRY IS GENERAL CHAIRMAN

**Work Is Started on Pittsburgh Arrangements at Meeting with President Bair**

PITTSBURGH, May 27.—James W. Henry of Pittsburgh, president of the Pennsylvania Association of Insurance Agents, has been named chairman of the general convention committee for the annual convention of the National Association of Insurance Agents, to be held in this city the week of Sept. 28. A meeting of committee chairmen with President K. H. Bair of the National association and Assistant Secretary J. B. Miller, was held and the committees are actively at work preparing for the convention. Headquarters will be at the William Penn Hotel, and the convention halls have been selected.

#### Personnel of Committees

The committees are:  
General convention—J. W. Henry, chairman; R. H. Alexander, A. Blumenthal, C. C. Kohne, H. E. McKelvey, W. M. Reid, W. Ray Thomas.

Publicity—C. A. Reid, chairman; C. H. Bokman, B. F. Davis, W. B. Folter, E. A. Hayey, F. S. Kauffman, H. P. Lichtenthaler, A. W. Pardew, A. A. Rohrich, F. W. Sippell, Raymond A. Tucker, H. B. White.

Registration—H. S. Bopler, chairman; Robert Branion, J. F. Frew, Perry Jenkins, W. W. Johnston, B. D. Milar, J. J. O'Donnell, A. C. Supplee, Carlton Timberman.

Hotel—C. V. Watkins, chairman; Clarence Alexander, C. D. Cole, J. W. Henry, Jr., Charles C. Kohne, Paul McKnight, C. J. Mulert, R. A. Paynter, W. C. Rice.

#### Others Who Are Assisting

Program—R. H. Alexander, chairman; A. C. Darragh, C. F. Flaherty, J. W. Henry, R. F. Miller, E. W. Murphy, A. H. Reich, N. S. Riviere, D. W. Speidel, W. J. Zwinggi.

Transportation—W. L. Anthony, chairman; Joseph Gray, E. R. Hindley, J. C. McCarthy, F. A. Meisel, J. C. Murray, H. W. Schmidt, J. E. Stone, T. B. Witt.

Reception—H. C. Fry, Jr., chairman; J. S. Alexander, L. A. Burnett, S. C. Campbell, D. F. Collingwood, C. A. Daub, W. S. Diggs, C. M. Harnies, Eugene Herzog, F. A. Hewitt, O. C. Hurst, L. C. Jeffrey, J. C. Kohne, Edw. G. Lang, A. E. McCloskey, J. J. McGovern, J. D. C. Miller, T. A. Motheral, W. V. Powell, P. H. Thomson.

Pennsylvania state association—H. M. Albert, Stroudsburg; Paul Ancona, Reading; A. S. Galland, Wilkes-Barre; H. H. Hood, Washington; Q. A. McBride, Newcastle; W. C. McCormick, Williamsport; N. B. McCulloch, Lancaster; I. D. McQuiston, Erie; W. L. Nicholson, Altoona; J. K. Payne, Philadelphia; W. F. Wingett, Scranton.

Golf—J. B. Rose, chairman; J. W. Henry, Jr., C. M. Alexander.

#### Ladies' Committee Named

Ladies' entertainment—Mrs. K. H. Bair, honorary chairman; Mrs. James W. Henry, chairman; Mrs. Charles C. Kohne, vice-chairman; Mrs. Ralph Alexander, Mrs. W. L. Anthony, Mrs. H. P. Bopler, Mrs. Charles Bokman, Mrs. C. D. Cole, Mrs. A. C. Darragh, Mrs. Carl Daub, Mrs. C. F. Flaherty, Mrs. Joseph Gray, Mrs. J. W. Henry, Jr., Mrs. H. P. Lichtenthaler, Mrs. H. E. McKelvey, Mrs. Paul McKnight, Mrs. Robert Miller, Mrs. C. A. Reid, Mrs. W. M. Reid, Mrs. H. W. Schmidt, Mrs. F. W. Sippell, Miss Helen Thomas, Mrs. W. R. Thomas, Mrs. C. V. Watkins.

**Other late fire insurance news will be found on Page 40.**



## Rockwood Hosmer Reviews Illinois Legislative Issues

### GIVES BIG BOOST TO PALMER

**Thanks Horner for Supporting Insurance Director But Censures Him for Permitting Diversion of Business**

Rockwood Hosmer of Chicago, in presenting his report as chairman of the legislative committee at the annual meeting of the Illinois Association of Insurance Agents in Decatur, spoke very plainly about several of the important legislative situations that have developed in the state in the last year or so. He gave a pat on the back to Governor Horner for "giving us the best director of insurance from the standpoint of integrity, diligence and knowledge of the business that I have seen in my 35 years of insurance experience." But he censured the governor because "the political diversion of insurance from legitimate channels has been carried to greater extremes under the present state administration than ever before." He said the Illinois association will be the first to welcome from him any indication that insurance men can again write insurance for their own customers without fear of state political interference.

#### State Auditor a Key Man

Mr. Hosmer referred to the fact that one of the speakers in the evening would be Arthur J. Bidwill, Republican nominee for state auditor. That is a key position since the receivers of state banks are responsible to the state auditor. The present incumbent, Eddie Barrett, has been a storm center since the insurance business controlled by the receivers of the state banks has been placed in the political stream.

"We are not running a political rally this evening," Mr. Hosmer stated, "but I am sure everyone here will be interested to learn where the legitimate insurance agent will stand if a Republican state auditor is elected."

#### Praise for Director Palmer

As to Insurance Director Palmer, Mr. Hosmer declared, "Governor Horner has stood behind him under pressure from innumerable different sources and asked only two questions: Is it the law and is it right? Mr. Palmer would not have measured up to his own qualifications if under these circumstances he had not given the splendidly administered insurance department he did. The code, which he was so largely instrumental in preparing, is already serving as a guide

## Ohio Examinations for Licensing of Agents Set

The Ohio department has issued a schedule showing where examinations for prospective agents are being held. According to the new Ohio law each new applicant for an agent's license must take an examination to qualify. The places, date and time for these examinations are as follows:

Columbus—At the Division of Insurance offices on any business day except Saturday. Examination closes at 3 p. m. Athens—At Ohio University, Room 201, Ewing Hall, 2nd Thursday of each month.

Cincinnati—At University of Cincinnati, Room 302, Engineering building, 2nd and 4th Friday of each month.

Cleveland—At Fenn College, 2208 Prospect avenue, each Monday.

Toledo—At Y. M. C. A., Jefferson and Eleventh streets, 2nd and 4th Tuesday of each month.

Youngstown—At Y. M. C. A., Champion street, 1st and 3rd Tuesday of each month.

All examinations held (except in Columbus) will start promptly at 1:30 p. m. and close promptly at 4 p. m.

As prospective agents apply for licenses they are mailed a card giving the information as to where the examinations are held.

THE NATIONAL UNDERWRITER, 420 East Fourth street, Cincinnati, O., has a list of questions and approved answers to be used for the examination of all agents.

for legislation in many other states. In the National Association of Insurance Commissioners, Director Palmer is looked upon as an outstanding figure and his ideas carry the utmost weight. For the welfare of our fellow agents and the National association we wish him more power at the coming meeting in St. Paul.

This last remark was interpreted by some as an indication that Mr. Palmer's friends will seek to have him elected president of the National Association of Insurance Commissioners. Mr. Palmer is now its first vice-president.

#### Insurance Code Is Reviewed

Mr. Hosmer reviewed the insurance code controversy in Illinois at some length.

When the code came up for the second time, the Illinois agents' association supported it when a satisfactory amendment covering the operations of London Lloyds was agreed upon. This amendment provided that an alien Lloyds should be required to maintain a capital

## Home Shifts Wherry from Philadelphia to Chicago

### SUCCEEDS E. V. McKARAHAN

**Former Associate Manager in Pennsylvania City Becomes Executive in Service Department in New Location**

The Home of New York has transferred Sim E. Wherry from Philadelphia where he has been associate manager, to Chicago to succeed E. V. McKarahan of McKarahan & Pfafflin, managers Chicago service department. Mr. McKarahan, who has resigned from the Home, has not yet announced his future plans.

Mr. Wherry started in the insurance business as an inspector with the Iowa Inspection Bureau. In 1921 he entered the field for the National of Hartford in Iowa. In 1931 he joined the Southern Fire of New York as state agent in Iowa and Nebraska. Later that year he was transferred to Minnesota for the Home fleet and on May 1 a year ago he was made associate manager of the Philadelphia office.

A brother, C. D. Wherry, is Iowa state agent of the Hartford Fire.

deposit in Illinois equal to that of a stock company seeking to do both fire and casualty business. That is, \$500,000 plus reserves for loss and premium reserve. Agents were very much interested in having the code passed due to the fact that it embraced an agents' and brokers' qualification section. When it became apparent that the code might not be passed, the agents caused to be introduced a separate bill providing for qualification of agents and brokers. Action on this bill was deferred until the last moment so as not to jeopardize the chance of passage of the code. Mr. Hosmer gave great credit to Alvin S. Keys of Springfield for bringing about passage of the qualification bill.

#### Ruling on Blanket Bonds

Mr. Hosmer reviewed the steps leading up to the ruling by Mr. Palmer that stock casualty companies could not write bankers' blanket bonds in the state. Mr. Hosmer criticized the stock companies for not being more alert legislatively. He pointed out that the mutual companies introduced a bill on Feb. 25 of this year to remove the legal conflict which prohibits writing blanket coverage and this bill was passed March 6. Thus the mutuals are free from restraint while the stock companies are restricted. He said that the agents had to fight the

## Congressman Asks Investigation for Insurance Business

WASHINGTON, May 27.—An exhaustive investigation of the insurance industry by a joint Congressional committee will be sought by Representative Cannon (Rep.) of Wisconsin before the end of the session. In a resolution which he has prepared, Congressman Cannon charges the companies, particularly those engaged in life, accident and health branches, with fraud and deceit, charging that these companies "through skillful attorneys issue insurance policies containing many tricky clauses for the purpose of defrauding" large numbers of people.

"Ambulance chasing" to defeat policyholders and beneficiaries in their attempts to secure just recoveries, and "violation of all codes of legal ethics" are also laid at the door of the industry.

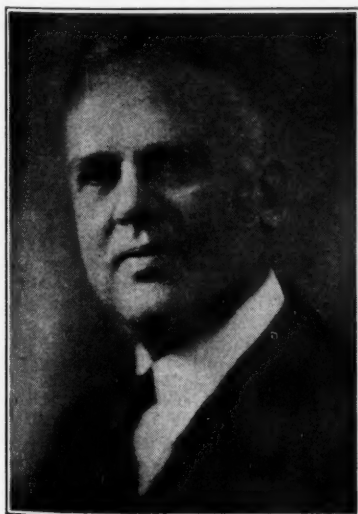
"A great many of our courts and bar associations permit such nefarious practices, because they are awed by the gigantic money powers," the Congressman asserted. "A great many of these insurance companies could not have maintained their existence during the depression without the aid of the federal government. Stupid and corrupt legislatures are the ready tools of dishonest companies," he alleged.

#### Farm Session Scheduled

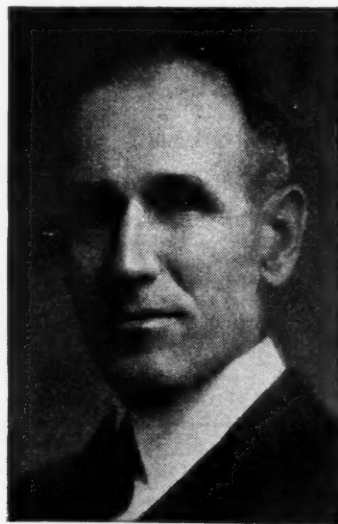
Members of the rate and forms committee of the Farm Underwriters Association will have their annual, intensive session at the summer place of Ira D. Goss, chairman of that committee and farm manager of the America Fore companies, on the Tippecanoe river in Indiana for probably three days beginning June 17. There is a lengthy agenda. Whatever the committee decides upon at that time will be submitted to the managing committee for final approval. In addition to the five members of the committee, E. H. Born of the Western Underwriters Association, secretary of the Farm Association, and C. E. Parks, farm superintendent National of Hartford and president of the association, will attend.

Lloyds battle by themselves because the companies had made a truce with Lloyds in all states but Illinois and would not join in the legislative fight. He also declared that the companies had given no aid in securing passage of the qualification bill and some of the companies actively opposed it.

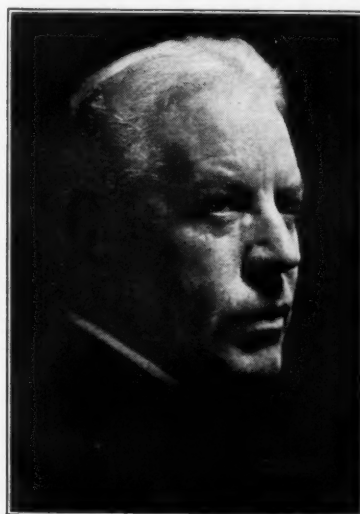
## NATIONAL BOARD OFFICIALS IN ANNUAL MEETING



FRED W. KOECKERT, New York  
President



PAUL B. SOMMERS, Newark  
Vice-President



B. M. CULVER, New York  
Treasurer



COL. F. D. LAYTON, Hartford  
Executive Committee Chairman





## Open for Inspection

P.F. & M. welcomes inspection of its financial resources . . . Financial soundness of a company is the most important factor an agent has to sell.

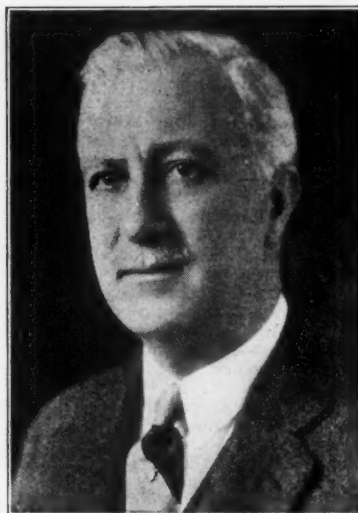


## PHILADELPHIA FIRE *and* MARINE INSURANCE COMPANY

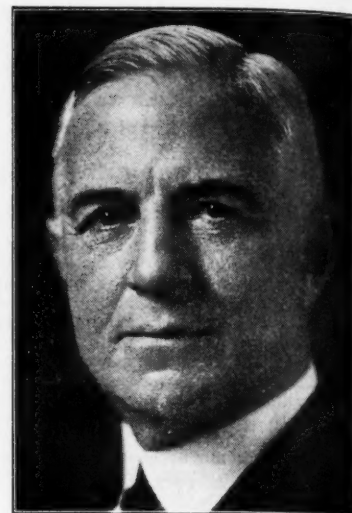
HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.  
CHICAGO OFFICE: 209 W. Jackson Boulevard  
SAN FRANCISCO: { Fire Office—200 Bush Street  
                          { Marine Office—231 Sansome St.



## Governing Committee Officials



JOHN C. HARDING  
Springfield F. & M.



W. P. ROBERTSON  
North America

At the first meeting of the new governing committee of the Western Underwriters Association John C. Harding, resident executive vice-president of the Springfield in charge of its western department, was reelected

chairman, a post that he has held for some time. He is a former president of the organization. W. P. Robertson, western general manager of the North America group, was elected vice-president.

### Hebert Is Secretary of All Springfield Group Companies

Following the resignation of C. B. Gale as a director and secretary of the New England Fire, W. A. Hebert, vice-president and secretary of the Springfield Fire & Marine and Sentinel, was chosen his successor, thus making him secretary of all of the Springfield's associated companies except the Michigan F. & M. J. M. Wylie, Jr., of San Francisco, connected with the Pacific department, was elected resident assistant secretary of the New England, a post he holds as well with the Springfield and the Sentinel.

E. A. Carter, a director of both the Springfield and Sentinel Fire, has been elected to the board of the New England Fire and appointed a member of its finance committee.

### Addresses Bay State Club

Gorham Dana, consulting engineer Eastern Underwriters Inspection Bureau, spoke on his around the world trip at the monthly meeting of the Bay State Club at Boston.

### New Members in N. J. Club

NEWARK, May 27.—At the dinner meeting of the New Jersey Field Club here Monday evening, five new members were admitted.

### Minnesota Field Meetings Set

ST. PAUL, May 27.—A large attendance is expected at the annual joint meeting of the Minnesota Underwriters Association, the Blue Goose and the Minnesota Fire Prevention Association at Glenwood, Minn., June 24-25.

The presidents of the three organizations are making the arrangements, with G. F. Duerr acting as general chairman. As in other years the two days will be given over to a mixture of business and recreation, with water sports to have a prominent part in the program.

### WANTED

Special Agent wanted for State of Ohio by strong fire insurance company. In first letter give experience in detail, age, family, and salary expected. Man with energy, initiative and personality required.

ADDRESS D-37, NATIONAL UNDERWRITER

### Western Reserve Puddle of Ohio Blue Goose Outing

The Western Reserve puddle of the Ohio Blue Goose held its initial meeting Monday at Sleepy Hollow Country Club, near Brecksville, O. There was a golf tournament in the afternoon, followed by a dinner and business meeting. There were 52 members present. Following the dinner, a desk cigarette lighter was presented to E. E. Heasley, Jr., Underwriters Adjusting, who had the low gross score of 85. This was considered an excellent score, in view of the tough course. Mr. Heasley is one of the best golfers in the district. A. D. Fulton, Western Adjustment, presented the prizes. Mr. Heasley, who is the big toad of the puddle, presided at the business meeting. A constitution and by-laws were adopted. O. F. Gibbs of the Atlas was chairman of the entertainment committee.

The puddle has 99 members. F. C. Wolf, New York Underwriters, is pollywog; Ed Leighton, America Fore, croaker; Pat Beutler, Western Adjustment, bouncer.

Leo J. Kleb of the Kleb Insurance Agency, Cairo, Ill., died suddenly last week of a heart attack, the funeral taking place last Friday. The firm was originally Candee & Kleb and was formed in 1854.

Mr. Kleb would have been 54 years of age in June. He started with the H. H. Candee agency as a boy in high school, later became a partner and then he bought out Mr. Candee's interest and had been conducting the agency himself. About eight weeks ago his nephew, Clifford Vincent, died and Mrs. Vincent was taken in his office. John Dougherty, who had been with the Hill & Gore agency, recently went with Mr. Kleb. He is regarded as a first-class man. Miss Thomas has been in the office for many years.

At the funeral there were a number of company men including Ralph W. Miller of the London Guarantee & Accident; A. R. Marks, Great American; J. G. McHale, New York Underwriters; L. C. Larson, Eagle Star & British Dominion; C. R. Tobin, Aetna Fire; J. T. Coen, Home of New York; F. A. Jettinghoff, North America; A. J. Fisher, Hartford Fire.

The agency will be continued as the L. J. Kleb Insurance Agency.

1636 ★ Rhode Island Tercentenary Jubilee ★ 1936  
 1799 ★ Providence Washington's 137<sup>th</sup> Anniversary Year ★ 1936



Each of these Companies writes the following  
 classes of Insurance  
 FIRE—TORNADO—OCEAN and INLAND MARINE  
 and their allied lines  
 AUTOMOBILE—FIRE, THEFT and COLLISION

*"What cheer,  
 Netop!"*

"The friendly hail of the Indians, 'What cheer, Netop!' came (so tradition tells us) from Slate Rock, which the venerable Moses Brown, writing in 1828, describes as 'jutting out into the river.'" Then "... the little company of pioneers held cheerfully on their way. They rounded the hill at the southern end of the peninsula—now leveled and known as Fox Point—and after paddling a short distance up the stream

of the 'Moshassuc', landed at a point where a clear bubbling spring discharged its waters into those of the 'Great Salt River.'

"Such is the ancient and honorable tradition of the founding of Providence, dating from a time when the memory of man runneth not to the contrary."—Providence in Colonial Times, Kimball.

The Landing At The Spring. This engraving is by the famous illustrator, F. O. C. Darley. It is reproduced from a memorial history of the Providence Plantations published 50 years ago on the occasion of the 250th anniversary of the founding of the Plantations. Already the book is rare and Darley's prints are collected.

**D**ESCENDANTS of many of the very pioneers who founded the city of Providence, which is celebrating its 300th anniversary this year, organized the Providence Washington Insurance Company 137 years ago. Being practical folk they visioned a strong, sound insurance company, one that would be provident in its dealings with everyone.

These characteristics are deeply imbedded in the Providence-Washington organization today. Here's an old, conservative New England company, operating nationwide—a company that is a real asset in any agency. For further details write.

**PROVIDENCE WASHINGTON**  
 INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND  
 INCORPORATED 1799 ★ CAPITAL \$3,000,000.00

**ANCHOR INSURANCE COMPANY**  
 Incorporated 1928 ★ PROVIDENCE, RHODE ISLAND ★ Capital \$1,000,000.00



## Urges Change in Procedure for National Legislation

### SUPREME COURT NECESSARY

J. Fred Essary of Baltimore "Sun" Discusses Politics at Insurance Advertising Conference

By DOROTHY B. PAUL

ANNAPOLIS, MD., May 27.—Advocating a drastic change in procedure in passage of national legislation, J. Fred Essary, Washington correspondent of the Baltimore "Sun," who spoke before the mid-year meeting of the Insurance Advertising Conference, suggested that the Supreme Court "pre-view" and pass judgment on all bills adopted by Congress before they are sent to the President. Mr. Essary said in his opinion the people of this country would vigorously resist any effort made to deprive the Supreme Court of its powers to interpret legality of acts of Congress, but he deplored the delay of two or three years in the court's decisions.

He referred to the United States as a government of paradoxes. "I look around me and see a gentleman in the White House who is the embodiment of the aristocrat and he is fighting for the common man; and I look again and see a great commoner from the 'side-walks of New York' and he is fighting to make the Dupont fortune safe."

#### Work Relief Is Problem

The most deplorable project today is that of work relief and he declared that "the inefficiency of the work relief organization is incredible. It is shot through and through with the lowest form of pernicious politics."

In Mr. Essary's opinion a great national hazard exists in the colossal centralization of power in Washington. He pointed out that such centralization

leads straight to bureaucracy and from there to autocracy.

The speaker commented on the "Brain Trust." "I have found them," he said, "to be an intelligent, forward-looking, industrious and loyal group of men. It is true that most of them are theorists, but if the President must have advisers for such purposes as research and investigation, I'd rather see men like them than the hack politicians I have seen around other Presidents." However, he observed that if he were President, he would instruct members of his "Brain Trust" to stop issuing alarmist statements.

#### C. A. Palmer Presides

President C. A. Palmer, advertising manager North America, presided. Robert Irvin, executive secretary to Governor Nice of Maryland, welcomed the convention on behalf of the governor. Mr. Essary was introduced by C. J. Fitzpatrick, vice-president U. S. F. & G.

At the morning session S. S. Larmmon, vice-president Young & Rubicam, was the speaker. He urged greater emphasis on advertising and educating the public to the benefits of insurance, and the wisdom of preserving the institution without harassment or undue interference. "If you interpret your business in terms of interest to the consumer," he said, "you perform a twofold job of building respect for your industry and an individual preference for your particular branch of merchandise."

### "AD" CONFERENCE BRIEFS

D. C. Gibson, Maryland Casualty, and W. L. Lewis, Agricultural, were co-chairmen of the program committee and were congratulated on the excellent arrangements made.

J. Fred Essary, the speaker Friday night, is one of the foremost newspaper men of the country. He is president of both the Gridiron and National Press Clubs. Mr. Essary is a former colleague of C. J. Fitzpatrick who was a news-

## South Carolina Agents in Convention on Ship Cruise

### GREEN REELECTED PRESIDENT

Sidney Smith of Gainesville, Ga., and H. C. Arnall of Southern Agents Conference on Program

#### NEW OFFICERS ELECTED

President—J. M. Green, Orangeburg.

First Vice-president—J. H. Woodside, Greenville.

Second Vice-president—J. M. Richardson, Hartsville.

National Councillor—J. F. Stuckey, Bishopville.

Executive Committee—R. M. Kennedy, Jr., Camden; S. F. Cannon, Spartanburg; J. S. Morse, Abbeville; J. W. Kinghorn, Beaufort; W. H. Lawrence, Anderson; Maier Trieste, Charleston; William Goldsmith, Greenville; H. P. Moses, Sumter; Mr. Green, Mr. Woodside and Mr. Richardson.

Consideration of a number of important matters with interesting addresses by leading insurance figures and round table discussions, marked the annual convention of the South Carolina Association of Insurance Agents, held on board a steamship between Charleston, S. C. and Jacksonville, Fla.

paper man before he joined the insurance fraternity.

The mid-year meeting of the I. A. C. was characterized by the unusual number of ladies in attendance. Among those present were Mrs. C. J. Fitzpatrick and Mrs. Stanley Withe.

Arthur A. Flak, Prudential, was accompanied by his daughter, Mrs. Gray.

President James M. Green of Orangeburg, S. C., all other officers and members of the executive committee were reelected, with the exception that W. H. Lawrence of Anderson was named on the executive committee in place of W. L. Jenkins of Rock Hill.

Program speakers were J. Roy Jones, South Carolina agriculture and warehouse commissioner; Sidney Smith of Gainesville, Ga., member executive committee of the National association, and Chairman H. C. Arnall of the Southern Agents Conference.

Resolutions submitted by Chairman S. F. Cannon of the resolutions committee recommended there be no change made in the manner of selecting the executive committee of the National association, which was also thanked for its work in connection with financed automobile business and requested to continue its program. A finance committee of five members was established, Mr. Cannon being elected chairman and for a five year term.

The executive committee was directed to appoint a committee of three agents to confer with three company representatives on the Company-Agency Stock Fire Insurance Office for business development. The executive committee will elect a secretary-treasurer and manager at its next meeting.

#### President Green's Report

The report of President Green reviewed the work of the past year and the successful handling of special subjects.

He stressed particularly the protection of prerogatives of agents. The opening day's session was devoted to administration reports and remarks of Commissioner Jones which dealt chiefly with insurance on cotton in state warehouses. Mr. Smith presented details of the work that the Company-Agency Stock Fire Insurance Office is achieving and expects to perform.

Chairman Arnall of the Southern Agents Conference reviewed the work of that organization.



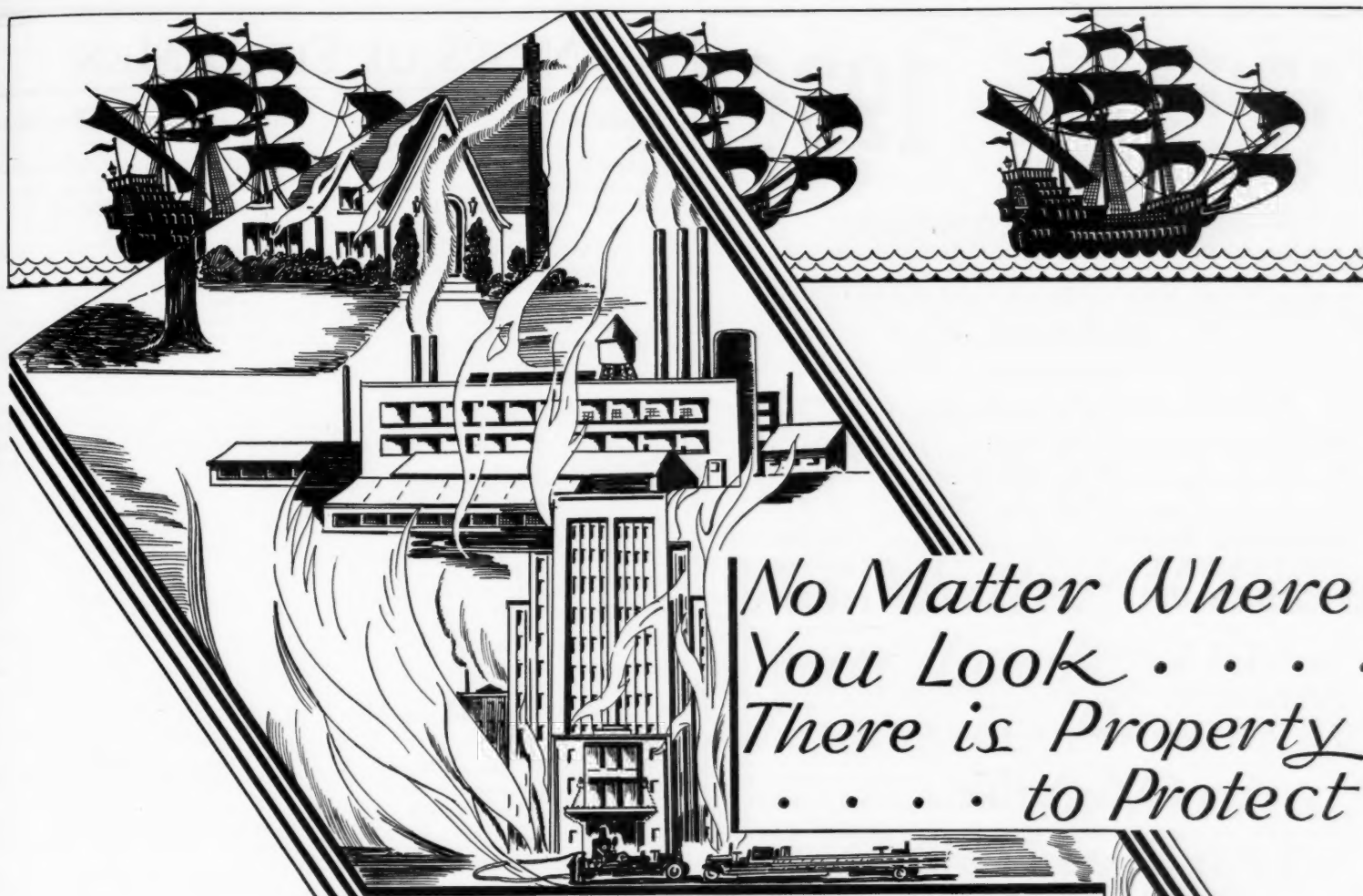
# NORTH STAR INSURANCE COMPANY

*Reinsurance of Fire and Allied Lines*

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO





*No Matter Where  
You Look . . . .  
There is Property  
. . . . to Protect*

Look around you and see the countless opportunities to increase your business. Here's the humble cottage of a clerk. Here's an office building and a mammoth factory. The automobile at the curb and the truck fleet down the street need protection.

The sprinklers overhead, steamships, the silver service in your neighbor's home, farm buildings—no matter what kind of property you name, it can and should be protected.

Alert agents of Pearl-American Fleet companies get their share of this business easier because of the help and cooperation of Fleet companies. They know that regardless of the type of protection desired or the size of the policy the Fleet resources are ample to satisfy any policy holder. And because of the Fleet policy of fair, friendly adjustments and prompt payment of losses, Fleet agents are assured of steady business.

If you want to know more about the Fleet and its agency plan write the nearest office.

## PEARL-AMERICAN FLEET

Pearl Assurance Co., Ltd., of London  
Eureka-Security Fire & Marine Insurance Co.  
Monarch Fire Insurance Co.

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1794

1936

**THE INSURANCE COMPANY**  
OF THE  
**STATE OF PENNSYLVANIA**  
PHILADELPHIA, PA.

**ANNUAL STATEMENT December 31, 1935**

Reserve for Unearned Premiums .....	\$1,809,635.22
Reserve for Losses Under Adjustment..	149,175.40
Reserve for Taxes and all other Claims..	134,629.82
Contingency Reserve .....	100,000.00
CASH CAPITAL .....	1,000,000.00
NET SURPLUS .....	1,424,295.41

**TOTAL ASSETS .....\$4,617,735.85**  
**SURPLUS TO POLICYHOLDERS \$2,424,295.41**

**Acquire**  
**THE OLD "STATE OF PENN"**

## AN OPEN FIELD

**For The Energetic Man  
Looking For A Future!**

Fire insurance is definitely on the incline . . . particularly **RELIABLE** fire insurance! Policyholders who were forced to drop protection in recent hard years are renewing their policies. It's an open field for energetic men who are looking for a business to which they can devote their whole-hearted enthusiasm to build up a secure future. We invite your inquiries.

Wm. F. Kramer, Secretary.

An Independent Ohio Company with  
a Current Surplus to Policyholders of  
\$1,106,093.39.

Special Agents  
for Ohio  
Harry J. Favorite  
R. E. Metzger



For Indiana  
C. R. Dobbins

For West Virginia  
Fred C. Campbell

## NEWS OF FIELD MEN

### Kentucky Field Conference

**Manager C. F. Thomas of the Western Underwriters Association Will Give an Address Next Week**

C. F. Thomas of the Western Underwriters Association will give an address before the semi-annual meeting of the Kentucky Fire Underwriters Association next Tuesday morning at French Lick, Ind. In the afternoon there will be a golf tournament with M. C. Miller, Royal-L. & L. & G., chairman. F. R. MacPherson of the New Hampshire is in charge of the miniature golf for ladies and men. There will be a bridge party for ladies in the afternoon in charge of Mrs. E. C. Knoop, wife of the state agent of the Aetna. J. W. Bethel of the Fireman's Fund is chairman of the miniature horse racing contest in the evening.

On Wednesday will be the annual meeting of the Kentucky Fire Prevention Association in the morning, followed by the annual meeting of the Kentucky Blue Goose. In the afternoon there will be another golf tournament.

### Program of the Indiana Men

**Schedule for the Annual Meeting of the Field Workers to Be Held at Lake Wawasee**

At the annual meeting of the Indiana Fire Underwriters Association to be held at Lake Wawasee, June 30-July 1, there will be an address the first morning by C. D. Sheffe, assistant manager of the London Assurance. Insurance Commissioner McClain will be toastmaster at the banquet in the evening. The main speaker will be Clyde B. Smith of Lansing, Mich., former president National Association of Insurance Agents.

On the morning of July 1, the Field Men's Relief Fund Association will hold its annual meeting. F. E. Dukes, state agent of the Fire Association group, is president of the I. F. U. A.

### Vernor to Give Many Talks

**Fire Preventionist Is Scheduled to Speak at a Number of State Meetings in June**

R. E. Vernor of Chicago, manager of the fire prevention department of the Western Actuarial Bureau, will give a number of addresses in June. On June 3 he will speak before the annual meeting of the Kentucky Fire Prevention Association at French Lick Springs. Two days later he will appear before the annual meeting of the Missouri Fire Prevention Association at Pla-Port, on the Lake of the Ozarks. On June 10 he will address the annual meeting of the Minnesota Fire Prevention Association at Caledonia. On June 12 he is scheduled for a talk at the annual Illinois Fire College at Urbana. On June 18 he will address the annual meeting of the Tennessee Fire Prevention Association at Signal Mountain at Chattanooga.

### N. J. Special Agents Outing

The annual outing of the New Jersey Special Agents Association will be held June 1 at the Suburban Golf Club, near Elizabeth, N. J. There will be a dinner in the evening preceded by a brief business meeting at which officers will be elected.

### Illinois Blue Goose Functions

**Chicago Unit Has Golf Tournament and Dinner—Springfield Group Conducts Outing in Decatur**

R. E. Freeman of the Illinois Inspection Bureau again was the winner at the annual golf tournament of the Chicago members of the Blue Goose at the Mohawk Country Club near Bensenville. He was the winner last year and also was the state champion, defeating the winners from the Rockford, Springfield and Peoria puddles.

The second player was M. C. Dawson, Underwriters Adjusting. Mr. Freeman and Mr. Dawson will represent the Chicago unit in the playoff some time in June.

About 70 attended the dinner and initiation. C. P. Helliwell of Milwaukee, general agent of the New Brunswick and grand wielder of the Blue Goose, was on hand and spoke briefly, as did J. C. Qualmann, Wisconsin state agent of the Queen, head of the Wisconsin Blue Goose and deputy most loyal grand gander. Mr. Qualmann conducted the obligation ceremony. A. R. Miller, America Fore, Chicago, and L. J. Eppler, America Fore, Decatur, were elected delegates to the grand nest convention in Oklahoma City and Lawrence Braman, Security of Connecticut, Rockford, P. J. V. McKian, Western Actuarial Bureau, Chicago, who is wielder of the Illinois Blue Goose, were named as alternates. Lloyd Brown, second vice-president of the Firemen's and head of the Illinois Blue Goose, presided.

J. E. Guy, automobile manager America Fore, was chairman of the entertainment committee and master of ceremonies. At the outing it became known that a group of Mr. Guy's friends is organizing a movement to have him started up the ladder as guardian of the Illinois pond at the next annual meeting. Mr. Guy is one of the most enthusiastic and hardest working members of the order.

Ten new members were elected, six of whom had their pin feathers plucked at Bensenville. New members are L. C. Edwards, America Fore, G. C. Edwards, America Fore, E. B. Hatch, Jr., America Fore, D. C. Campbell, America Fore, R. Y. Dievendorf, Northern of London, R. A. Cosbey, Royal, T. E. Thrower, Newhouse & Sayre, D. E. Bopp, Leo Davis, North America, J. C. Hughes, Phoenix of London, and W. A. Schmidt of Marsh & McLennan, who qualified for membership as being a special agent of the Farmers of York.

Hugo La Rue, assistant manager America Fore, won the first blind bogey, O. S. Peterson, Home, second blind bogey, and Jacob Nelson, hail manager America Fore, third blind bogey.

### ROUNDUP IN DECATUR

The Dan T. Smith (Springfield) puddle of the Illinois Blue Goose launched insurance week in Decatur, Ill., Monday with a golf tournament and dinner attended by about 70. The next day the Illinois Association of Insurance Agents held forth in Decatur in mid-year meeting and on Thursday the Illinois State Fire Prevention Association is conducting an inspection of the city.

Homer Sturgeon of Springfield, state agent of the Pearl and head of the Dan T. Smith puddle, had low net in the golf tournament. Two others were tied for second, they being: Frank Payne, National, Decatur, and Harry Harm, North America, Decatur. One of these and Mr. Sturgeon will compete with the two winners from Chicago and from the Rockford and Peoria puddles in the state Blue Goose tournament in June.

Mr. Sturgeon presided at the banquet. Levering Cartwright of THE NATIONAL UNDERWRITER, Chicago, was toastmaster and called upon several luminaries to



take a bow, including: Sherman V. Coultas, Illinois state fire marshal; Chief Frank McAuliffe of the Chicago Fire Insurance Patrols; Young E. Allison, agency assistant of the Pearl, Chicago; Dan T. Smith, state agent Milwaukee Mechanics, for whom the Springfield puddle is named; Jack Knapp of Jacksonville, state agent Concordia, who has returned to work after a lengthy illness; R. I. Read, Chicago manager Crum & Forster, and August Torpe, Chicago class 1 agent.

Ray Britt, Northwestern National, Decatur, as chairman of the entertainment committee, presented the golf prizes.

### A. B. Hart Is Transferred to Oregon by the National

DENVER, May 27.—A. B. Hart is being transferred to Portland, Ore., June 3, as special agent for Oregon of the National of Hartford and Colonial Fire Underwriters. He succeeds J. G. Newman, who is being transferred to the San Francisco division as agency superintendent in charge of the metropolitan department.

Mr. Hart has been with the National in Colorado four years, lately assisting R. B. Wallace, state agent. Before joining the National, he was state agent here of the North America. He was born and reared in Colorado.

In addition to the Colonial and the National here he represented the Mechanics & Traders, Franklin National and the Transcontinental. He will have only the two companies in Portland.

### Heart of America Election

KANSAS CITY, May 27.—A. F. Nelson, New York Underwriters, was elected most loyal gander, succeeding Walter G. Chesnut, Western Adjustment, at the annual meeting of the Heart of America Blue Goose in the pond's new clubrooms here.

J. C. Hupp, National of Hartford, was made supervisor; F. D. Hawkins, Western Adjustment, custodian; A. H. Notton, North British, guardian; Fenton Hume, attorney, keeper (reelected) and O. A. Ramseyer, North America, welder (reelected). C. W. Bean, America Fore, and Mr. Chesnut were named delegates to the grand nest.

Eleven field men and adjusters were initiated. J. Burr Taylor, St. Louis, secretary Missouri Fire Prevention Association, was a guest.

### All Meetings at Elkhart Lake

MILWAUKEE, May 27.—The Wisconsin Insurance Club, composed of Western Insurance Bureau company field men, will hold its annual meeting at Elkhart Lake, Wis., June 24, it is announced by President I. E. Frey, who is Firemen's state agent. The program will include several addresses by prominent insurance men.

The Wisconsin Blue Goose is meeting at the same place the evening of June 23. The Wisconsin Fire Underwriters Association will have its annual meeting there June 24-25. The State Fire Prevention Association will hold its annual meeting after the Blue Goose meeting the evening of June 23.

### Hall in Essex County

D. D. Hall of the home office of Corroon & Reynolds in New York City has been appointed special agent of the group in Essex county, N. J., with headquarters at 45 Clinton street, Newark. He has been in the underwriting department of Corroon & Reynolds for the last 13 years.

### Bodman in Field Work

S. L. Bodman of Chicago, who has been connected with the Marine Office of America in its Chicago office as underwriter, has been appointed full time special agent for Indiana and Illi-

nois and will make his headquarters in the First National Bank building, Decatur. He has been giving part time to the field. He graduated at the University of Illinois in 1931 and then spent a year at the head office of the Marine Office of America in New York and then was shifted to Chicago.

### Oklahoma Blue Goose Memorial

The annual memorial services, honoring departed members, were conducted by the Oklahoma Blue Goose under

general direction of Most Loyal Gander Leonard P. Gray. George W. Kline was in charge of the services.

### Illinois Field Club Meeting

The annual meeting of the Illinois Field Club, the organization of field men whose companies are members of the Western Insurance Bureau is scheduled to be held in the Baker Hotel, St. Charles, Ill., June 10. This place was selected so that it would be

convenient for the members to go to Rockford the next day to attend the annual outing of the Rockford Board.

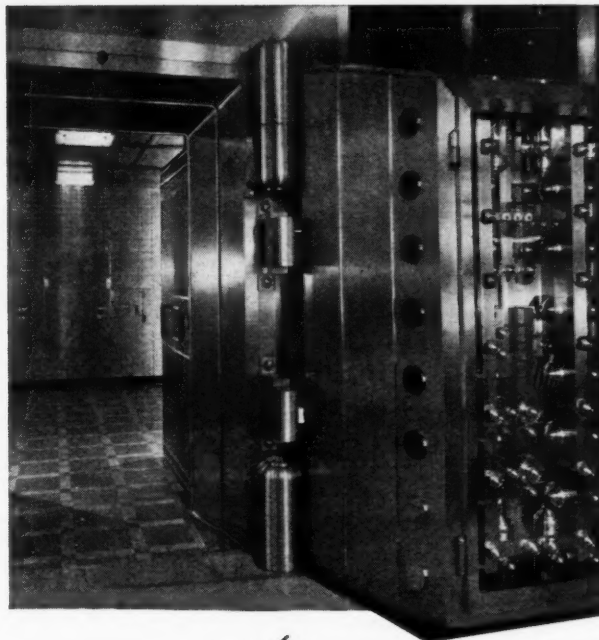
J. C. O'Connor, editor of the Fire, Casualty & Surety Bulletins, published by THE NATIONAL UNDERWRITER, will be the speaker at the morning session.

Roy V. Haser, Ohio Farmers, is president.

### Attorney San Francisco Speaker

Edgar Rowe of the San Francisco bar addressed the San Francisco Blue Goose at the luncheon meeting May 25.

## Security for American Property Owners Since 1841



This is the massive door on Chicago's most modern safe deposit vault in the Field building. Every known safety device has been used in its construction. Illustration courtesy 135 LaSalle Safe Deposit Co., Chicago

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# Convention Attendance Sets a Record

## Texas Agents Take Vigorous Measures

Pass Strong Resolutions at Annual Meeting Held in Fort Worth

### ELLIS NAMED PRESIDENT

Record Turnout Features 39th Anniversary Gathering; Discuss Several Important Issues

#### NEW OFFICERS ELECTED

President—Tom P. Ellis, Dallas.  
Vice-president—Lytle W. Gosling, San Antonio.  
Executive Secretary-Treasurer—D. G. Foreman, Fort Worth.

By FRED B. HUMPHREY

A number of forceful resolutions were adopted by the Texas Association of Insurance Agents at the Fort Worth annual convention, which was the largest in its 39 years with registration of 693. In pre-convention sessions the day before the annual gathering opened, directors discussed association problems. Local exchange officers also had a meeting that day, A. N. McCallum, Jr., of Austin, chairman, presiding. F. F. Ludolph, secretary of the San Antonio exchange, presented a display of advertising material employed by exchanges which was discussed at an executive session the second day in connection with the report of the local exchange

## Leaders at Texas Meeting



TOM P. ELLIS, Dallas  
New President



TOM S. GILLIS, Fort Worth  
Retiring President

committee, Mr. McCallum reporting at the executive session on the advertising work being done by the local exchanges. The exhibit was collected by Mr. Ludolph.

There was a dinner the first night preceding the convention, the Fort Worth local board being host, honoring officers and directors of the Texas association, local exchange officers, W. H. Bennett, secretary National Association of Insurance Agents, and members of the insurance commissioners board.

In the executive session C. T. Smith of Dallas, chairman, workmen's compensation committee, reported on the situation created by the state insurance com-

mission declining to accept the rating methods involved in the filing of the National Council on Compensation Insurance requesting increase in over-all rate level of 10.6 percent, and continuing the five-year experience method which produced approximately 1 percent increase. Other members of the committee were C. Y. Tully and M. S. Backenstoe.

Mr. Smith reported on a bulletin received from General Manager J. A. Beha of the National Bureau of Casualty & Surety Underwriters, New York, relating to acquisition cost in connection with the revised rates effective March 1. Mr. Beha stated maximum allowances that would be appropriate for Texas would be: General agents and branch offices, 11.5 percent; regional agents, 8 percent; producers, 7 percent.

The allowances were submitted to companies for information and guidance, as rules of the acquisition cost conference are advisory only. Mr. Smith also noted action of Texas association directors in unanimously voting opposition to the retrospective rating plan for compensation.

#### Report on Inimical Measures

Three legislative bills likely to come up at the next regular session were opposed in the report of the legislative committee, read by H. V. Hays, Waco. One is the persistent measure to require payment of penalty and attorney's fee by a fire company in all cases where settlement is not made within a specified time after the loss. This is regarded as unwholesome legislation. Another bill expected to be introduced is the one filed at the last session to authorize the state superintendent of public in-

## Constructive Resolutions Adopted by Texas Agents

The convention of the Texas Association of Insurance Agents at Fort Worth in resolutions opposed companies contracting with out-of-state brokers under an arrangement to furnish automobile coverage to Texas residents at rates lower than authorized in the state, and favored prosecution by the attorney-general of companies violating this law.

Another resolution favored taking steps to prevent any company legally writing either direct or indirect at a rate other than legally authorized for agents to use in Texas, this being aimed at preventing stock companies from re-insuring business of a Lloyds written at less than authorized rates for stock companies.

#### Pledge Support to Companies

Mixed agencies were opposed by resolution and the Texas agents again pledged support of companies cooperating in the effort to eliminate such representation.

Appointment of an automobile finance committee for Texas composed of agents and company men to study this perplexing problem was recommended in the resolution. Texas agents deplored ignoring of the Texas association in all automobile insurance matters by the company automobile insurance committee and registered a criticism of this condition. The convention also favored a simplified dwelling rating schedule and called on companies to assist in working out an equitable basis.

struction through a specifically provided fund to insure all public school buildings. The plan seems simple but it is complex and unworkable with widely scattered properties, difficulty of inspection and heavy cost of operation, the report stated. "It has always been and always will be utterly impossible for a public body to operate with the same degree of efficiency and economy that a private enterprise can operate," the committee reported. Conversion of the fund is one great danger. Commitment of political candidates against the proposal should be secured.

#### Contractors' Bond Scheme

A third proposal expected is that the state not require contractors on public works to provide surety bonds, but instead to deposit an amount equal to the premium on the bond, the state to accumulate the deposit in a fund from which to pay losses on defaulted contracts. The same criticism was found here as on the public school self-insurance plan. All of the agents' legislative work in Texas so far, the report stated, has been defensive, and no offensive has been started to secure constructive legislation.

Directors elected are: T. P. Ellis, Dallas; B. A. Calhoun, Houston; Josh Morris, Texarkana; Overton Abernathy, Wichita Falls. Hold-over members are: F. M. Burton, Galveston; J. H. Chiles,

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J. F. SEINSHEIMER, President  
C. S. KUHN, Vice-President and Secretary

Jr., Austin; T. S. Gillis, Fort Worth; C. D. Molloy, Jacksonville; L. W. Gosling, San Antonio.

The legislative committee consists of Frank Gittinger, chairman, San Antonio; Al Deviney, Austin; T. C. Paul, Corsicana; E. A. Shirley, Port Arthur; D. A. Clark, Sweetwater; Lee Lockwood, Waco; J. H. Brogan, Tyler.

Regional vice-presidents are: District 1, John Jones, Quanah; Dist. 2, F. B. Williford, Denison; Dist. 3, Lloyd W. Frost, Beaumont; Dist. 4, Gabe Goldberg, Corsicana; Dist. 5, R. M. Collins, San Benito; Dist. 6, T. M. Wingo, El Paso; Dist. 7, T. J. Lyle, Shamrock; Dist. 8, J. F. Hickman, Paris; Dist. 9, E. Sheppard, Ballinger; Dist. 10, Eugene Tips, Seguin; Dist. 11, Dick Beeler, Mineral Wells; Dist. 12, L. F. Perkins, Lockney.

The convention was called to order by M. K. Williamson, president Fort Worth local board, with invocation by Dr. J. K. Thompson, pastor First Presbyterian Church, welcome by J. H. Hott, manager Fort Worth chamber of commerce, and M. J. Miller, Fort Worth board, with response by Frank Gittinger, San Antonio, who paid tribute to early members, both dead and living.

#### Gillis and Foreman Report

President T. S. Gillis gave his annual address. The working contact with the automobile committee, functioning through the Texas Automobile Insurance Service Office, has not been fully developed, he said. Some members of the committee were reported as feeling it was no business of the agents what was done in regard to automobile insurance.

"I disagree with such an attitude," President Gillis said. "It is some of our business, and I think we have every right to have the confidence of this committee and be given the opportunity to consider in advance of filing, all matters, whether rates or forms, that are related to automobile insurance. I believe that if more consideration were given our association

we would not have existing conditions we now have for the writing of automobile insurance." He offered the association's services to the automobile insurance committee and expressed the desire that agents be permitted to meet and confer with them. He recommended that a joint committee be formed, with representatives of the agents, companies, and general agents, to seek a solution of the automobile finance problem.

Secretary-Treasurer Foreman showed the association in good financial condition with membership of 985. He urged all members to push for membership of more than 1,000.

Charles Storts, of J. D. Kitchen & Bro., New Orleans, brought greetings from field men. President Gillis introduced Vice-president William Quaid, Southern Fire; George Shepard, Texas comptroller and former agent; R. B. Cousins, manager state checking bureau, and Life Commissioner Daniel, Fire Commissioner Mauk and Casualty Commissioner Waters of the state insurance board.

Spencer Welton, vice-president Massachusetts Bonding, was the closing speaker the first morning, describing various forms of bonds and giving suggestions as to writing them. He said this is a class of business largely overlooked by most agents. Mr. Welton's subject was "Agency Diversification." A get-together dinner was held in the evening.

#### Secretary Bennett Talks

Drawing of attendance prizes, induction of new officers in the afternoon executive session and resolutions, by-laws and auditing committee reports led off the second morning session. There followed discussion of matters carried over.

Past President H. A. Lawrence read a memorial to the late G. Mabry Seay of Dallas, past president Texas association. After lunch a golf match between local agents and company men was held at the River Crest Country Club, Max High-

fill being chairman of the golf committee.

Entertainment for the ladies was arranged by a committee headed by Mrs. M. K. Williamson and including Mrs. Vivian Cook, Mrs. Georgia Francis, Mrs. D. G. Foreman, Mrs. Tom Gillis, Mrs. Marshall Kennedy, Mrs. H. A. Lawrence, Miss Mary Lowry and Mrs. H. V. Shank.

M. K. Williamson was general chairman of convention committees and A. B. Vera, executive chairman. Chairmen of the convention committees were: Arrangements and finance, E. D. Rutledge; entertainment, Chester Schneider; registration, Oscar Thomas; transportation, Jess Johnston; reception, S. A. Teas.

Convention committees were: Auditing—Francis Ludolph, San Antonio, chairman; E. D. Norment, Paris; F. C. Paul, Corsicana.

Nominating—George Adams, Bryan; Harry Walton, Fort Worth; T. J. Lyle, Shamrock; Oren Ellis, Stephenville; J. T. Mays, Mineral Wells.

Resolutions—Josh Morriss, Texarkana, chairman; K. C. Withers, Beaumont; L. E. Fuller, Commerce; W. D. Hoag, Denison; B. H. Jackson, El Paso; Denman Morgan, Hamlin; Bob Killson, Houston; W. T. Briscoe, Lockhart; Hugh Gracy, Weatherford.

By-Laws—C. H. Read, chairman, Lubbock; Harry Stuth, Corpus Christi; R. Maynard Robinson, Temple.

#### Brief Glimpses of Texas Agents Annual Gathering

Great credit is due M. K. Williamson, general chairman, and A. B. Vera, executive chairman of the convention committee, as well as chairmen and members of sub-committees for the way details were handled.

The Commercial Standard entertained the whole convention at a luncheon. (CONTINUED ON PAGE 27)

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Engineering Service—All Lines  
The largest insurance agency in the State of Wisconsin

## NEWS OF THE COMPANIES

### Old Company Being Featured

**Providence Washington Important Factor in the 300th Anniversary of Its Home City**

The Providence Washington is being featured in the tercentenary celebration of its home city, Providence, which was founded by Roger Williams. The original settlement was at the head of Narragansett Bay, where Providence is located. The inadequacy of private insurance was apparent to the business people and on Jan. 5, 1799, the Providence Insurance Company, with capital of \$150,000 was organized. The Washington Insurance Company had its first meeting Jan. 10, 1800. Its capital was \$110,000. In 1803, the Washington appointed agents at New London, Conn., which the Providence Washington declares inaugurated the agency system widely established today.

In 1817 they consolidated under the name of the Providence Washington with Richard Jackson, Jr., president. The capital was \$132,000 and the offices were located in Washington Row. The company originally did marine business but in 1821 started to underwrite fire risks although marine insurance remained as the chief interest until the middle of the century. In 1875, the Providence Washington absorbed the Newport Fire & Marine. The company, incorporated in 1799, is the oldest insurance company in New England and the third oldest in the United States. It is one of the outstanding companies of the country, held in high esteem by all who come in contact with it.

### Pearl's Underwriting Exhibit

In the "1935 Underwriting and Investment Exhibit of Stock Companies" in the "Argus Chart," through a clerical error the Pearl Assurance was shown to have gained \$1,172,187 from underwriting and profit and loss items. The error was obvious as there should have been a minus sign before this amount. The very fact that the Pearl increased its premium reserve so greatly in itself would have shown a loss. The ratio of premiums earned to losses incurred was 38 percent and the ratio of premiums earned to expenses incurred 66.7 percent.

### Figures in the Celebration

**Springfield Fire & Marine Is Featured in the Historical Volume on City's Tercentenary**

The Springfield Fire & Marine figures in the historical work gotten out in commemoration of the 300th anniversary of Springfield, Mass., it having been founded in 1636. The Springfield F. & M. is one of the historic institutions of its city. The company was chartered April 24, 1849. Arvin Chapin, owner of the then famous Massasoit House, discussed the subject of founding an insurance company with C. W. Chapin. Then they started to secure subscribers for the \$100,000 capital. Edmund Freeman was the first president. The first branch agency established was in New York City in August, 1851.

### Reports on Illinois Fire

The Illinois insurance department has issued a report of the examination of the Illinois Fire of Peoria, showing assets \$501,487 as of Dec. 31, 1935; capital \$200,000 and net surplus \$107,890.

During 1935 surplus of the Illinois Fire increased considerably due principally to improvement in market values of investments in bank stocks which represented about 67 percent of the assets. The incurred loss ratio is very low and management expenses about normal. Its cash position is good and its obligations are being promptly satisfied. M. S. Cremer is president and Henry F. Tuerk is secretary. It operates in Illinois, Indiana, Michigan and Wisconsin. The report states that its conservative underwriting practice is reflected in the low loss ratios.

In 1935 net premiums amounted to \$123,898, losses paid \$36,753, expenses paid \$66,998. The ratio of losses incurred to premiums earned was 24.5 percent and the expense ratio was 47.5 percent.

### Miscellaneous Company Notes

The Pennsylvania Indemnity Fire has been admitted to Virginia.

The National Fire & Marine of Elizabeth, N. J., has applied for admission to California.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### LOSS MEN'S BANQUET

At the fifth anniversary banquet of the Eastern Loss Executives Conference in New York City last week, General Agent Whitelaw of the Commercial Union, who is president, presided at the banquet. J. A. McClelland of Chicago, president of the Western Loss Association, was present and gave a talk. Other speakers were Fred W. Koeckert, United States manager of the Commercial Union and president of the National Board; P. B. Summers, vice-president American of Newark and vice-president of the National Board; Paul Haid, president Insurance Executives Association, and General Adjuster Berton of the North British & Mercantile. There was a golf tournament at the Knollwood Country Club at White Plains.

### BOARD OPPOSES SHINGLE ROOFS

Opposition to the section of the pending building code in New York City which would permit the use of shingle roofs has been expressed by the committee on laws and legislation of the New York Board. The committee pointed out that shingle roofs have been prohibited by ordinance since 1927 and called attention to the increased fire

hazard if the present proposal is adopted.

The board stated that "in the five-year period from 1918 to 1922, more than \$650,000,000 was lost in fires due to sparks falling on roofs. The menace to life and property by quick setting fires due to wooden shingle roofing, is not the theory of alarmists but a proven fact substantiated by a long record of conservation. There are a number of forms of roofing, even less expensive than wooden shingles, which are just as serviceable and eliminate the hazard of flying brands."

### J. B. CARVALHO GOES WEST

J. B. Carvalho, manager of the specific reinsurance department in the New York City office of the Russia for the past two years, was honor guest at a surprise dinner tendered by 60 of his business associates and friends, Wednesday evening. D. H. Lewis, head of the local reinsurance department of the North British & Mercantile, as toastmaster presented Mr. Carvalho with a golf bag, as evidence of the esteem in which he is held by his friends in the city. Mr. Carvalho will sail for the west coast Saturday via the Panama Canal, to become assistant

manager of the San Francisco office of the Russia, of which L. M. Hale is manager. As head of the specific reinsurance department of the company in New York City, Mr. Carvalho will be succeeded by H. C. Sturhahn, who has been associated with the office since last December.

### INSURANCE SOCIETY OFFICIALS

J. W. Russell, vice-president of the Aetna Fire, is now president of the Insurance Society of New York, having been elected at the annual meeting. Other officers are: First vice-president, W. E. McKell, vice-president American Surety; second vice-president, H. H. Reed, general manager North America; secretary, E. R. Hardy, secretary-treasurer Insurance Institute of America; treasurer, F. F. Koehler of Koehler & Koehler. Directors are: S. D. McComb, manager Marine Office of America; W. G. Minner, president Minner & Barnett; W. J. Mosenthal, president H. Mosenthal & Son; C. W. Pierce, vice-president America Fore; W. A. Riordan, manager city fire department Automobile; S. T. Skirrow, secretary Great American.

The society, Secretary Hardy stated in his report, now has a membership of 1,242. A course in aviation insurance and one in accountancy will probably be inaugurated during the year, he said.

### LARGE NEW YORK DELEGATION

More than 60 reservations have already been made by New Yorkers for the annual meeting of the National Association of Insurance Commissioners at St. Paul, June 8-12. The New England contingent will board the New York train at Albany, other persons getting on at Detroit. The Canadian delegation will join easterners at Chicago; all going on to St. Paul via Madison, Wis. As usual the New York department will be well represented at the convention. Headed by Superintendent Pink, it will include as well Deputy Commissioners Clark and Cullen, Actuary DuBuar, and Divisional Heads Wheeler, Hadley, Ryan, Diefendorf and Magrath.

### SCHAEFFER ELECTED PRESIDENT

O. E. Schaeffer was elected president of the New York Board at the annual meeting, succeeding Hart Darlington. All other officers and standing committees, as nominated, were elected.

F. A. Doyle, 123 William street, New York City, has been appointed metropolitan agent of the Standard Fire of New Jersey, which has been represented by the F. H. Ross Agency.

Mrs. R. T. Marshall, whose husband is president of Albert Willcox & Co. of New York, is making a satisfactory recovery in Orange, N. J., from an appendectomy.

U. G. Tompkins, for 14 years connected with the New York City metropolitan department of the Liverpool & London & Globe, died at his home at Peekskill, N. Y., Saturday. He had been with the company for 40 years.

### Lucas Renamed President of National Brokers Body

NEW YORK, May 27.—Julian Lucas, New York City, president Davis Dorland & Co., was reelected president of the National Association of Insurance Brokers at the annual meeting. Other officers were also reelected: Chairman executive committee, J. A. Mudd, Jr., Chicago; secretary, M. L. Nathanson, Brooklyn; treasurer, E. S. Litchfield of O'Brien, Russell & Co., Boston. All members of the executive committee were reelected.

Mr. Lucas touched on the work of the National organization the past year, particularly in connection with retrospective compensation rating, Interstate Commerce Commission control of motor carrier insurance, and in keeping abreast of developments in social insurance and all forms of compulsory coverages, and called attention to the importance of the association's continuing to expand its activities.



## Stebbins Makes Protest to Executives of Companies

### INCONSISTENCY POINTED OUT

#### Declares Inland Marine Departments File Lower Rates on Same Risks Than Fire People

DENVER, May 27.—Herbert Cobb Stebbins of Cobb & Stebbins, general agents, has sent a letter to fire company executives making a vigorous protest against inland marine departments writing business at rates lower than those filed by the fire departments. He suggested that the supervisory committee of the Rocky Mountain Fire Underwriters Association assume jurisdiction over all the inland marine writings not under control of the Inland Marine Underwriters Association, including rates, forms and commissions. Mr. Stebbins, very outspoken, states that the representatives of some inland marine departments of some prominent companies are "perniciously active." He feels that this situation will discredit the business and may destroy the present system of conducting it.

Furthermore Mr. Stebbins says: "Certain companies are not only deliberately stripping the books of pres-

ent members by cutting the rates on such lines (as are not under I. M. U. A. jurisdiction) but are also bringing pressure to bear on the local agents to favor them with other lines of business in addition thereto.

"From the competitive standpoint, such marine departments are creating between association fire companies a situation comparable with that with which we have long been confronted, where association fire companies with casualty running mates have, through the medium of the casualty connection, exploited their fellow members either through rate cutting channels or the payment of excess commissions."

#### Faith Is Impaired

He says that the insuring public's faith in insurance companies is impaired when a purchaser of fire insurance is offered a 25 percent to 75 percent lower rate by inland marine departments. He asks what local agent is going to believe in the necessity of company organizations, rating bureaus and standardized forms when different field men show him how to evade the rules and cut the rates through the inland marine department.

A. J. Weed, special agent in western Massachusetts of the Norwich Union Fire, who has been with the company since 1891, will sail from New York for a tour of Europe, Friday. Mrs. Weed will accompany him.

## AS SEEN FROM CHICAGO

### WESTERN LOSS MEETING

At the May meeting of the Western Loss Association in Chicago, the guest speakers were Clarke Munn, manager, and Paul Lang, assistant manager Cook County Loss Adjustment Bureau. Particular attention was paid to the efficiency of the state's attorney's office in recovering stolen cars. State's Attorney Courtney has taken personal interest in the automobile situation. It was stated that the special form of report that is sent to the state's attorney's office when a car is stolen has been of material use to his office in making recovery.

There was considerable discussion over the supplemental contract and different issues arising under various coverages.

### STAFFORD IN NORTH FOR SUMMER

John F. Stafford, retired western manager of the Sun, arrived in Chicago last week to spend the summer in the north. His permanent residence is Babson Park, Fla., and he has remained there throughout the winters.

### NAGHTEN STILL DISABLED

James I. Naghten, head of the John Naghten & Co. agency in Chicago and former president of the Chicago Board, who has been confined to his home for many months with heart trouble, is still unable to get about. He has many friends in the business who are greatly interested in him. His son, John Naghten, is carrying on his work.

### BOARD YEARBOOK IS READY

The Chicago Board's yearbook is to be distributed the first week in June. There are many changes that have been made in the listings. Convenience of the spiral binding used for the first time last year led Manager Jay S. Glidden to use the device again this year.

### DEATH OF L. S. HAMMOND, SR.

Luther S. Hammond, Sr., veteran Chicago local agent who had retired from business, died this week. His father was the late L. D. Hammond who was a member of the old time firm of Hammond, Fry & Sheldon of Chicago. The firm split, Fry & Sheldon going with the Marsh, Ullmann & Co., now Marsh & McLennan, with Mr. Hammond operating as L. D. Hammond & Co., representing the British

America. Later he associated his agency with Fred S. James & Co. and by that means the British America was taken into the James firm. Subsequently he became an independent broker placing his business largely through Crum & Forster. His son, L. S. Hammond, Jr., is connected with Marsh & McLennan's Chicago office.

### AMERICAN AUTOMOBILE OUTING

Men of the Chicago branch office staff of the American Automobile held their annual picnic at Viennese Grove near Park Ridge, Ill., Resident Vice-president E. D. Loring and Assistant Manager Russell Chaloner being the hosts. It was an all day affair punctuated by hotly contested soft ball games. The underwriting department licked the claim men 19 to 2 and the single men won from the married men 17 to 5.

### FOLLOWS TORNADO COMMISSION

The governing committee of the Western Underwriters Association has been taking up with the Explosion Conference the rate of commission to be paid on the supplement contract premium for the explosion part. A rule has been put into effect now that the rates shall be the same as on the tornado coverage.

### MOORE, CASE OUTING PLANNED

Brokers and office employees of Moore, Case, Lyman & Hubbard, Chicago, will hold their annual all day outing at the St. Charles Country Club June 30. A feature of the entertainment will be a golf tournament and blind bogey. There will also be a soft ball game and other sports, climaxed with a dance in the evening. G. A. Brellie was elected president of the employees association; E. Kollman was named vice-president; Ora Bundy, secretary, and Dorothy Dubeck, treasurer.

### MAXWELL MADE DIRECTOR

Resident Vice-President W. K. Maxwell of the Hanover Fire's western office has been elected a director of the Western Adjustment, succeeding the late C. W. Higley.

Vice-president A. R. Phillips of the Great American stopped in Chicago last Friday and Saturday visiting the western department en route home from a trip to the Pacific Coast.

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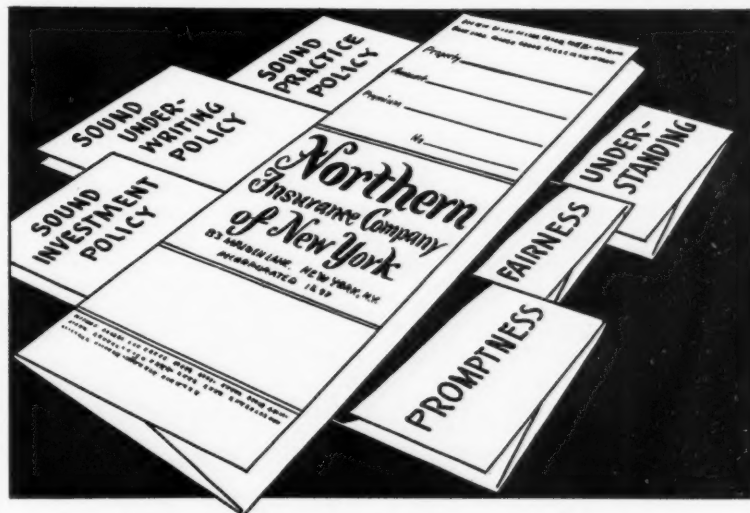
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## EDITORIAL COMMENT

### State Insurance Days

SOME years ago there seemed to have been a movement started in a few states to feature insurance state-wide by inaugurating a state insurance day. Indiana may have been the first to have such occasion. In times gone by "Indiana Insurance Day" was something of an occasion. In later years interest seems to have died out and the attendance fallen off. Pennsylvania, however, is the banner state, it not being satisfied

with one insurance day. It now has two or three days with great variety in its program. This year the big celebration takes place in the historic city of Philadelphia. There will be general sessions and a big banquet and then there will be conferences devoted to the great classifications of insurance. Distinguished speakers will be present. It will be truly an occasion well worth while.

### — And Yet More Wonderful

SOME TIME ago we had occasion to remark that insurance seems to be becoming more wonderful. It became necessary to point this out in view of the fact that insurance, in all its magnificence, had been extended by the LIBERTY MUTUAL to cover widows, orphans and other less pathetic members of society who might purchase flour of a certain brand and discover that this particular batch of flour wouldn't make bread. Should the flour manufacturer, under these unfortunate circumstances, fail to make good its guarantee to replace the non-bread making flour with flour that would produce the real article, the insurer, undertaking to spread the burden of the few over the backs of the many, would give the purchaser the flour.

We didn't intend to take this much space to review the coverage, but reflecting upon the magnificent beneficence of this insurance service, we were carried away.

Then, adapting the same idea to another industry, the WESTERN CASUALTY of KANSAS is issuing a policy to cover the same widows, orphans and other less pathetic members of society who might suffer the misfortune of patronizing a laundry that failed to live up to its guarantee to replace a fluffy "whatchumacallit" in the event that the laundry on the first try failed to do a good job of laundering the said "whatchumacallit," or in the event that said "whatchumacallit" got lost or got damaged.

That, we submit, is stupendous.

But does an AMERICAN insurance man

think up something marvelous and those peers of all thinkersup, the underwriters at LONDON LLOYDS, will seek to think up something even more marvelous. Their latest invention has been purchased by SEARS, ROEBUCK & Co., which is a pretty good thinker up itself. This invention is for the protection of the widows, orphans and other less pathetic members of society, who are mentioned above. Should these folk purchase an automobile tire from SEARS, ROEBUCK & Co. and should said automobile tire bust in the face or in any other part of the anatomy of the said widows, orphans or less pathetic members of society, LONDON LLOYDS would ring their LUTINE bell and tell their attorney in fact at CHICAGO, JOHN S. LORD, to cross the palm of these stricken purchasers. We wouldn't be so cynical as to remark that this bounteous provision and products liability insurance look alike, because the former seems much more sentimental and pure.

Our favorite thinker up, the resourceful special agent of the OLD IRONSIDES F. & M., who will be recalled as the man with the aunt on the south side who is such a remarkable knitter, asserts that not even LONDON LLOYDS has thought up the ultimate in the way of insurance. What he has got is a policy that provides should a married man buy a hat that is so distasteful to his wife that she throws it out the window that OLD IRONSIDES F. & M. will buy him a new hat which will win the approval of the wife.

### Question of Business Collectors

J. J. MAGRATH, head of the rating bureau of the New York insurance department, takes the position that any agent who receives more than basic commissions and who is conscious of the fact that he is not performing additional valuable functions in return, would do well to develop a service that fully justifies the rate of commission he receives. He contends that mere volume alone is no justification for a bonus commission or an overwriting payment. Mr. MAGRATH asserts that nothing injures

the agency system more than the traffic in business at excess commissions.

We are firmly convinced that Mr. McGRATH has touched a very vital truth and one that should be carefully considered by producers. The tendency now is to press more and more for higher commissions and greater compensation and not regard the possible effect on the agency system itself. The mere getting of business justifies a moderate compensation. The producer should be amply paid. When,

however, he is compensated for something he does not do, merely to extract more business from him, danger creeps in. For instance, the payment of general agency commissions to purely a local agent cannot be justified. When a man of Mr.

MAGRATH's penetration and study makes so bold a statement as he did in his recent address on the question of volume producers or business collectors that do not competently supervise production it is a warning that we all should heed.

## PERSONAL SIDE OF BUSINESS

**C. F. Swimm**, connected with the Home in New York City for nearly 30 years and retired since 1931, died at Loomis, N. Y., after a long period of poor health. Joining the company in 1902, he was successively in the loss department, examiner for New York state and supervisor eastern department. In 1929 he suffered a breakdown after which he was transferred to field work in Long Island and in 1931 he was retired under the company's retirement system.

**E. L. Rickards** of Chicago, branch secretary of the National Automobile Underwriters Association, has been on a trip to South America visiting Buenos Aires and other points. While there he spent some time with his son, who for the last six years has been a well known aviator in South America.

**W. S. Markham**, well known agent at Durham, N. C., who is a familiar figure at conventions of the National Association of Insurance Agents, has a large collection of convention badges. He attended his first National association convention in 1918 and since that time has been present at almost every succeeding one. In addition he is prominent in Rotary and North Carolina Association of Insurance Agents. He has saved all the badges that he has worn at the conventions and they make an interesting display.

**Alex Chalmers**, 72, well known in Portland, Ore., insurance circles for many years, died at his home there. He retired from active duty with the Oregon Insurance Rating Bureau in 1933. He joined the bureau in 1918 and was employed there until his death, although not active since 1933.

Mr. Chalmers came from an insurance family. His grandfather was manager of a fire company as early as 1856. His father was an adjuster and before that was an agent in Victoria, Australia.

The colonial home at Wethersfield, Conn., of **Col. H. P. Dunham**, vice-president of the American Surety, and former commissioner of Connecticut, was damaged by fire to an extent of several thousand dollars May 20. Most of the damage was due to water soaking valuable antique furniture and rugs. The house was unoccupied at the time, Col. Dunham and his wife residing in New York City. The cause of the fire, it is assumed, was the result of workmen using a blow torch burning paint off the brick walls. They arranged to live at Hartford during the summer.

**R. S. Steadman**, since 1914 local manager in Newark for the Newark Fire, died in Paterson, N. J., following a brief illness. Entering the insurance agency field in 1880, he became associated with the old Merchants of Newark in 1888 and when that company reinsured in the National of Hartford in 1902, he became its local manager. He later became

one of the partners of the local agency of Guerin, Steadman & Williams, Newark, which connection he held until 1910 when he became special agent of the American. In 1914 he joined the Newark Fire as its local manager in Newark. Mr. Steadman was born in New York City, May 3, 1866.

**Jeremiah McQuade** of McQuade & Horstman, Peoria, Ill., local agents, was chairman of the entertainment committee at the time the Republican convention met there.

**R. Lee Emery, Sr.**, who has been in the insurance business in New Orleans for more than 50 years, sails on June 26 on the Hamburg-American liner Reliance for Iceland, Scandinavian countries and Moscow. He also will take in the Olympics in Berlin before returning to New Orleans in the fall.

**Jack Frazier**, San Antonio, special agent Firemen's group for southwest Texas, is the proud father of an 8½-pound boy.

**L. J. Albrecht**, for many years a local agent at Sheboygan, Wis., has become postmaster there. The Albrecht Insurance Agency has been incorporated by A. Albrecht, L. Mueller and A. S. Imig and will continue under the same name.

**W. S. Naulty**, vice-president of the Joseph M. Byrne Co., Newark agency, will celebrate the 35th anniversary of his connection with that agency June 1. Shortly after his college days he took up the study of law and became interested in the legal aspects of the insurance business, which brought him into contact with fire insurance companies in New York City. In 1898 he joined the Gadd & Naulty agency in Newark. At that time he came in contact with Joseph M. Byrne, Sr., and in 1901 joined the Byrne office.

Friends of **Guy W. Funk**, executive special agent of the western department of the Great American in Chicago, will be pleased to learn that he has returned to his home in Oak Park after spending several weeks in the Lutheran Deaconess Hospital in Chicago. Mr. Funk caught a severe cold during a trip into the northwest resulting in bronchial trouble. It will be another two weeks before he can return to his duties.

**A. E. Bulau** of Columbus, O., associate state agent of the Home of New York group, occupied an entire page in the Columbus "Sunday Dispatch" of May 17 in the graphic section in which he was featured as being one of the real collectors of firemarks in the United States. Mr. Bulau estimates that there are between 1,500 and 2,000 firemarks in existence and he thinks there are 90 persons in the entire world who have a hobby along this line. The firemark



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originated in England in the 18th century, it being a metal plate attached to a building to mark it as insured in some company. Mr. Bulau has a collection of 367 firemarks and there are 26 countries represented. He is compiling an exhaustive international catalogue on firemarks. The records date back to the great fire of London in 1666. In Philadelphia and Baltimore, Mr. Bulau explained, most of the early firemarks contain policy numbers. Only a small number of these are in collectors' hands. One of the most valuable plates in Mr. Bulau's collection is one issued by the Montgomery County Mutual of Dayton, O. Only three of its firemarks are known to exist. Mr. Bulau is also a collector of early fire fighting equipment.

Bert Dryden, well known southern field man, died at his residence in Miami, Fla. He was born in Shelbyville, Tenn., in 1868 and started in the business about 40 years ago. About 20 years ago he traveled Alabama for the Niagara Fire. He later traveled Georgia for the Royal. He was a close friend of the late Guy Carpenter, with whom he had offices in Atlanta for a number of years; also A. R. Thommason of the North British & Mercantile in New York. Mr. Dryden had been in poor health for about 10 years—resigning from the Royal in 1926 to go to Florida, where he at first engaged in local agency business. He was unable to regain his health and for the past few years has been an invalid and has been bedridden for the past two years. Mr. Dryden is survived by his wife, Mrs. Aline Dryden, who for many years was secretary to Manager Potter of the Southern Adjustment Bureau. During the West Palm Beach hurricane in 1928 Mrs. Dryden had charge of the National Board's catastrophe service, under the direction of the late Harvey Russ. Since then she has been associated with W. Julian Bell, a prominent adjuster at Miami.

James Gaukrodger, financial secretary of the Commercial Union group in New York City, 72 years of age, is dead. He had been more than 50 years in insurance. He joined the Palatine in 1882 and when the Commercial Union secured control of it he became connected with the bigger organization.

The annual community music week of Boise, Ida., which opened last Sunday, has been dedicated to the memory of Lewis W. Ensign, prominent insurance man of Boise, who died there April 21. From the start of music week, Mr. Ensign was one of the leaders. He served as treasurer and as a director. He was also president and one of the organizers of the Community Concert Association of Boise. He founded a local agency in Boise 30 years ago and was joined two years ago by his brother, Frank. It is known as the Ensign & Ensign agency.

G. C. Walker, who has been manager of the insurance business of Sudler-Wegener Company at Boise, is joining the Ensign & Ensign agency June 1.

Insurance Commissioner Frank Yetka of Minnesota, who met with a severe automobile accident as he was going to his home at Cloquet, Minn., has now left the hospital and last week spent an hour or so at his office for two days and then went home over the week end. He will have to get back into his stride gradually.

Grant Bulkley, secretary of the Pacific Coast department of the Springfield Fire & Marine, recently appointed secretary of the western department, will assume his new duties in Chicago July 1. Associated with the Pacific department in San Francisco since 1930, Mr. Bulkley has made many friends in that territory.

Mrs. Catherine Leake Jalonick, 63, widow of the late I. Jalonick, presi-

## Former Commissioner Joins American Mutual Alliance



GARFIELD W. BROWN

A. V. Gruhn, general manager of the American Mutual Alliance, announces that Garfield W. Brown of St. Paul, former insurance commissioner of that state and former president of the National Convention of Insurance Commissioners, has joined the Alliance in the capacity of special counsel. Within a short time he will be devoting his entire time to the interests of the American Mutual Alliance and later he will undoubtedly have his headquarters in the Chicago main office of the Alliance.

Mr. Brown served as Minnesota commissioner from Oct. 1, 1929, until May 16, 1935. He served as president of the commissioners' convention from February, 1933, until December, 1934. Since retiring from office he has been engaged in the practice of law in his home city and has given especial attention to insurance matters.

As commissioner and as president of the convention Mr. Brown had the respect of the business. He is a high grade man and gave a good account of himself in office.

dent of the Republic of Dallas, died at her home there. She was a sister of Wirt Leake, for many years Texas state agent of the North British group and former most loyal grand gander of the Blue Goose, who died in the past year, and Mrs. Charles L. Dexter, wife of a well known Dallas agent, who died several years ago.

Robert M. Morse, head of the licensing division of the Michigan department, was the victim the past week of a burglary in which part of his extensive stamp collection and a coin collection of unknown value constituted the loot. The burglar or burglars entered the house while the family was away. Fortunately the more valuable portion of Mr. Morse's stamp collection was not at the residence.

Paul Robyn, 82, president of the Insurance Agency Company of St. Louis, will be the guest of honor at the first reunion of the "old grads" of Christian Brothers College in many years. Mr. Robyn is the oldest living graduate of the college.

E. W. Nourse, United States manager of the London Assurance and associated companies, returned to New York on the "Berengaria" from London and Paris, in which cities he visited the head offices of the London Assurance and the Union Fire, Accident & General.



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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Minnesota Agents Convention

**Program for the Annual Meeting Which Will Be Held in St. Paul June 8-9**

The program for the annual meeting of the Minnesota Association of Insurance Agents to be held at the St. Paul Hotel, St. Paul, June 8-9, is announced. C. O. Brown of Rochester is president; S. C. Aldridge of St. Paul is chairman of the executive committee. P. H. Ware of Minneapolis is secretary and treasurer. R. M. Thompson of Minneapolis is executive secretary. The program is as follows:

#### Monday, June 8

Meeting called by C. O. Brown, president.  
Invocation.  
Welcome by Mark H. Gehan, mayor of St. Paul.  
Welcome by S. C. Aldridge, president Insurance Exchange, St. Paul.  
Response to welcome, Edward C. Huhnke, Duluth.  
Minutes by R. M. Thompson, executive secretary.  
Report of administration by C. O. Brown, president.  
Annual report of secretary-treasurer, P. H. Ware.  
Reports: (1) Membership committee, E. A. Storvick, chairman; (2) agency qualification, P. H. Ware, vice-chairman; (3) national councillor, C. F. Liscomb, Duluth.

#### Afternoon

Talk, Ray Ostrander, Albert Lea, Southern Minnesota Regional Association.  
Talk by a representative of the Range Underwriters.  
Address, Walter H. Bennett, secretary National Association of Insurance Agents.  
Address, William Quaid, vice-president Home.  
Address Bert J. Costello, chairman insurance committee Minnesota house of representatives.  
Open forum  
7 p. m. Banquet, Lowry Hotel. Toastmaster, Ernest Palmer, director of insurance of Illinois.

#### Tuesday, June 9

Report of nominating committee. Report of resolutions committee.  
Reports of special committees.  
Address, Dewey W. Johnson, deputy insurance commissioner of Minnesota.  
Discussions, open forum.  
Election of officers.

### W. S. Ellis Speaks at May Meeting of Detroit Agents

DETROIT, May 27.—W. S. Ellis, special agent Royal-Liverpool group, in an address to the Detroit Association of Insurance Agents at its May meeting, declared stock company agents should emphasize the security and service of their companies when confronted with price competition. Upon analysis the savings of many dividend paying companies fade like the rainbow when deductions are made for interest on deposit.

Leo K. Hennes, chairman Michigan Inspection Bureau committee, extolled the new contents form. M. F. McCaffrey, chairman casualty committee, commented on the retrospective plan for workmen's compensation. Members approved the plan in principle but disapproved the Massachusetts method of application for the entire country.

John L. Dickinson, chairman entertainment committee, reported the annual field day would be resumed this year at the Aviation Country Club June 23.

### Return Business to Agents

**Bishop in Upper Peninsula of Michigan Terminates Deal with N. Y. Broker Under Master Contract**

The insurance of the Sault Ste. Marie and Marquette Diocese, comprising the upper peninsula of Michigan, has now been returned to local agents and the Rt. Rev. Bishop J. C. Plagens of Marquette is leaving the question of insurance in the hands of the individual pastors.

Sometime ago Thomas J. Hogan, a broker of New York City, secured this business under a master policy from the late Rt. Rev. Bishop P. J. Nussbaum of Marquette, sending agents in each community their share of the brokerage commission.

The Michigan Association of Insurance Agents appointed a committee, consisting of Guy M. Cox of Iron River, chairman; John P. Old of Sault Ste. Marie; T. P. Redmond, Marquette; J. T. Healy, Houghton; Oscar Kraus, Escanaba, and Edward Clemens, Baraga, at the annual upper peninsula regional insurance gathering at Blaney Park last summer. After several interviews, Bishop Plagens decided to give the insurance back to the respective communities, so that the local agent would participate in the entire commission, and write the business.

The committee will report at the annual upper peninsula regional meeting at Marquette, June 13.

The Hogan policies are being continued in force until expiration. Then the agents will have an opportunity to solicit the business.

### Illinois Fire College Plan

**Some New Features Have Been Added to the Institution and Demonstration Work**

The Illinois Fire College will be held at the University of Illinois at Urbana, June 9-12. A departure has been made this year in providing separate sessions and separate evolutions for the paid and volunteer fire departments. However, joint sessions will be held. Clarence Goldsmith, assistant engineer National Board at Chicago with the collaboration of A. H. Bent, engineer Illinois Inspection Bureau, will conduct an engineer's school. An inspector's school will be in charge of J. W. Just, fire department instructor Western Actuarial Bureau. Mr. Just will talk later on "The Fire Department and Its Relation to Industrial Protection." Harry K. Rogers, chief engineer fire prevention department Western Actuarial Bureau, will conduct an instructor's school. Later on he will give a demonstration of evolution with hose, ladder, first aid, etc. R. E. Vernor, manager fire prevention department Western Actuarial Bureau, will discuss the "Regional Fire Schools and the Future Fire Colleges." Chief McAuliffe of the Chicago Fire Insurance Patrol will give a talk on "Fire Prevention in the Public Schools."

### Northwest Ohio Mutual Men Hold Meeting in Fremont, O.

The Mutual Fire & Casualty Association of Northwestern Ohio met at Fremont. This was the first meeting held outside of Toledo and was the beginning of a plan recently adopted to hold four meetings a year in the outside territory. There were about 50 agents

and company officials attending. W. D. Pearce of Fremont, president, welcomed those present and made a statement as to the purpose of the association. J. A. Anderson, attorney of the Shelby Mutual Plate Glass & Casualty, spoke on "Claims, Fraudulent, and Otherwise." H. M. Hare, manager of the Columbus office of the Northwestern Mutual Fire, talked on "Mutual Prospects for 1936 and the Future" and conducted a round-table discussion, during which Frank Bingham of Andover, Mass., vice-president Merrimack Mutual Fire; L. A. Dennis, president of the Shelby Mutual Plate Glass & Casualty; E. W. Dann, secretary Richland Mutual; J. C. Neer, secretary Western Mutual Fire, and various other company officials and agents spoke. The closing address was by J. J. Beall of Seattle, vice-president Northwestern Mutual Fire.

The executive committee met at the office of M. P. Jeffreys in Toledo May 27, to formulate plans for further activities.

### Wisconsin Development by Agents Is Moving Steadily

MILWAUKEE, May 27.—Members of the Wisconsin Association of Insurance Agents and Wisconsin Fire Underwriters Association are continuing their campaign to organize and develop county-wide local boards throughout the state. Hugh Bird of Beaver Dam, president of the agents' association, announced here that the Dodge County association would be host at a meeting in Beaver Dam May 27 of two members from each of the 25 county units now organized. F. J. Lewis, W. B. Calhoun and J. G. Grundle of Milwaukee and other figures prominent in the state association will attend. The Underwriters association also will be represented by a number of association company field men active in the county board organization work, including H. J. Girard, Milwaukee, state agent Providence Washington, chairman organization committee.

The meeting of agents and field men will be featured by discussions of the comprehensive campaign of public service and education in the interests of stock fire insurance and maintenance of the American agency system through close cooperation of organized local agents and stock companies. The meeting, Mr. Bird said, will open at 10 a. m., with luncheon, and will wind up at 4 p. m. Sessions will be in Hotel Stoddard.

### Revoke Company's Charter

LINCOLN, NEB., May 27.—Insurance Director Smrha has filed with the secretary of state a finding made by the district court of Omaha dissolving the American Lloyds Mutual of Omaha, operated by Arthur Cobb, and revoking its charter. This is the first time in Nebraska history that this has been done. John S. Logan, attorney for the department, said it is the policy of the department that insolvent companies must lose their charters. It seeks to stop what has almost reached the proportions of a racket, as much as \$1,000 having been paid in the past for the use of names of assessment companies.

### Nebraska National Cited

LINCOLN, NEB., May 27.—Insurance Director Smrha has caused a citation to be issued for the Nebraska National to show cause why it should not be liquidated.

The petition sets out that the company has unpaid adjusted claims for 1932 totaling \$7,260; that it has failed to collect notes given for premiums that year; that it failed to deposit 50 percent of its premium collections in its loss

### Presides Over Meeting of the Illinois Agents



FRANK J. BUDELIER, Rock Island

President F. J. Budelier of the Illinois Association of Insurance Agents, who was elected at the last annual meeting, presided over his first meeting of the organization at Decatur this week, it being the mid-year gathering. Mr. Budelier conducts his own agency in Rock Island. He has demonstrated his value as a state president by taking hold of the work in a vigorous way.

fund as the statute requires; that it improperly used money belonging to the loss fund; that it is insolvent and should be liquidated.

The company paid losses for 1933 and 1934 in full, as it had before 1932. It had no license in 1935 and 1936. Last year the Nebraska National Fire was organized by the same group of officers, who took over the business of the old company but did not assume any of its obligations.

The department has notified the Central Surety, which wrote a \$50,000 bond for the old company's treasurer, to take whatever steps may be deemed desirable to protect its liability, if any exists.

### Hale C. of C. Representative

CLEVELAND, May 27.—The Insurance Board of Cleveland has named Clayton G. Hale of the Hale & Hale Co. to represent its interests in working with the chambers of commerce with which the board is affiliated.

### Sioux City Women Elect

SIOUX CITY, May 27.—Election of officers at the annual meeting of the Sioux City Insurance Women's Association resulted as follows: President, Mrs. Lenore Hassenger, Hassenger Brothers; first vice-president, Mrs. Edith Newberg, Gray-Duncan Agency; second vice-president, Miss Beatrice Roback; secretary-treasurer, Mrs. Mabel Eleaf, J. M. Lynch agency. The retiring president is Agnes Lacey, Continental Mortgage Co.

### Independence Regional Meeting

The third of a series of four regional meetings of the Kansas Association of Insurance Agents was held at Independence for District 2. The morning program started with a round table conference led by J. D. Gilmore of Independence, president of the state association. A more formal program was held in the afternoon, with C. C. DeBolt of Chanute presiding. Among



the speakers were Ray H. Priest, Topeka, special agent L. & L. & G., on "Solicitation through Education;" John D. Saint, manager Oklahoma Association of Insurers, "State Manager Plan;" Baxter C. Brown, Kansas City, resident vice-president Fidelity & Deposit, "Surety Bonds;" O. A. Ramseyer, Kansas City, state agent North America, "No Magic," a discussion of business reciprocity. Reports were given of the Atlanta mid-year meeting and a report from President Gilmore, "As Seen from the President's Office." A get-together dinner was held in the evening with Carl R. Guilkey, president of the Independence association, presiding.

#### Announces Scholarship Award

The Grain Dealers National Mutual of Indianapolis has awarded its annual scholarship in an Indiana college to William Welch, 17-year-old senior in Logansport high school. He was selected from a group of 11 high school seniors, nine of whom were winners of district contests held throughout the state. The boys were guests of the company at the home office in Indianapolis.

#### Organize in La Fayette County

Organization of the La Fayette County, Wis., local board was completed at a meeting in Darlington. Carl Chandler, Blanchardville, was elected president; Miss Knight, Darlington, secretary, and Wilfred Heindel, South Wayne, treasurer. W. J. Tucker, former president Wisconsin Association of Insurance Agents, and W. J. Divine, both active in the Beloit local board and Rock County association, attended, representing local agents of the state.

#### Missouri Department Bans Banks

JEFFERSON CITY, MO., May 27.—The Missouri department holds that banks organized under the laws of Missouri have no legal right to engage in the insurance business directly or indirectly, and that in the future the department will not license as a broker any person seeking to conduct an insurance business on behalf of a bank. The announcement of the department's position was made known in a letter to A. F. C. Blase, attorney for the St. Louis Association of Insurance Brokers, which has been conducting a campaign against banks and trust companies engaging in the insurance business.

#### Call Ohio Special Meeting

The Ohio Association of Insurance Agents has called a special meeting in Columbus June 11 to act on an amendment to the constitution which would give the trustees more latitude in setting the time for the annual meeting. The constitution calls for conventions in September and these state meetings often conflict with the dates of the National association conventions. This will be the only matter to come up.

#### Department Employee Short

LANSING, MICH., May 27.—Commissioner Ketcham states that an employee in charge of handling departmental funds has admitted defalcations of some \$1,400 or \$1,500 over the past three years. The shortage was disclosed, the commissioner said, when he ordered an audit which is not yet complete. The employee has been transferred to other duties pending completion of the audit. Most of the shortage, possibly \$1,100, had been incurred since the first of the year. No formal

charges have been preferred, Mr. Ketcham said.

#### Meet at Eau Claire

Formation of an agents' association comprising Eau Claire, Pepin and Buffalo counties, Wis., is planned at a meeting called for this week at Eau Claire. H. E. Kallgren of Eau Claire, western Wisconsin state agent North America, is in charge of arrangements.

#### Wood County, Wis., Board Meets

The Wood County local board held its monthly conference at Marshfield. J. E. Ketchum, Marshfield, president, was in charge. Advantages and results of organization among local agents were stressed by H. J. Girard, Milwaukee, state agent Providence Washington and chairman county association committee, Wisconsin Fire Underwriters Association. Mr. Murray, safety engineer Hartford Accident, presented an automobile safety film.

#### Calculating the Contingents

ST. LOUIS, May 27.—A committee of Class 1 agents from St. Louis went to Chicago last week to discuss with company executives the manner in which the premiums that were impounded during the fire rate controversy in Missouri are to be treated in calculating the contingent commissions of Class 1 agents here. Some of the St. Louis agents desire to have the impounded premiums that were released as a result of the settlement of the rate case so far as the companies in the federal courts are concerned to be included in the 1935 accounts of the agencies. That would give the agents quite an advantage because the loss ratio in 1935 is known and was exceptionally low. It is understood that the contracts of the companies with most of their agents provide that the impounded premiums should be entered, in calculating contingent commissions, in the year in which the rate case was settled. The companies, it is understood, are therefore taking the position that the impounded premiums should go into the 1936 rather than the 1935 account.

#### Houghton County Outing

The Houghton County Association of Insurance Agents will hold a picnic June 20 in Marquette, Mich., with a business session in the early evening. This is the first of the monthly summer picnics and business meetings which the association is to have.

#### Kelly Indianapolis Speaker

Features of the new comprehensive fire policy were explained by Ambrose Kelley of the American Mutual Alliance, Chicago, at a dinner of the Mutual Insurance Association of Indianapolis.

#### Nebraska April Losses

April fire losses in Nebraska as reported to State Fire Marshal Davis totaled \$134,480, as compared with \$86,290 for April, 1935. To May 1, 1,014 fires have been reported. The value of property involved was \$12,160,000, insurance \$9,819,000 and losses \$630,797.

#### Middlewestern Notes

Frank Jorling, local agent of Cincinnati, died at Christ hospital there at the age of 53. He followed his father, Herman Jorling, in the insurance business 20 years ago.

H. E. Adamson, Jr., Western Adjustment, Cincinnati, became a father for the second time with the arrival of Jack Edmund.

Herbert F. Dir, local agent at Liberal, Kan., died suddenly.

#### Rogers Canadian Manager

Arthur Rogers is to become Canadian general manager of the London & Lancashire when Charles Hendry retires this summer. Thomas Wallis will become deputy general manager and F. G. Cottle becomes foreign manager of the Law, Union & Rock.

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## IN THE SOUTHERN STATES

### To Study Sprinklered Risks Kentucky Local Agents Meet

**Inconsistencies in Rating Method at New Orleans Are Pointed Out by Broker**

NEW ORLEANS, May 27.—Investigation of fire insurance rates on buildings and contents of sprinklered public storage warehouses in New Orleans was promised by Chairman Woods of the Louisiana insurance commission at an open hearing. This decision followed request by G. A. Brennan, broker, on behalf of a client interested in a sprinklered warehouse, who asked that the risk be classified as unsprinklered with allowance for sprinkler equipment.

Mr. Brennan contended that if the sprinkler equipment, including a 6,000-gallon tank, were discarded and the old-time arrangement of water casks and pails were relied upon, the rate on building would remain about the same and on contents would be much cheaper under present rating.

#### Strong Gives Views

R. P. Strong, manager Louisiana Rating & Fire Prevention Bureau, said the only request received from Mr. Brennan was for classifying the risk as if no furniture were stored there, which, he said, could not be done in fairness to other property similarly situated. Mr. Brennan said the rate on building and contents alike as a sprinklered risk was 58½ cents, and if sprinkler equipment were discarded and the tank removed, the building rate would be 59 cents, but the rate on wallboard would be 48 cents, twine 47 cents, sugar 41 cents and coffee 39 cents, regardless of the presence of furniture in storage.

If the building were classed as unsprinklered and allowance were made for sprinkler equipment instead of removing it, the wallboard rate would come down to 39 cents, twine 20½ cents, sugar 32 cents and coffee 30 cents.

J. X. Wegmann, past president of the bureau, agreed with Chairman Woods that if removing sprinkler equipment would result in lower rate for contents there is need of looking into the relation of the two classes. Mr. Strong said that rates on sprinklered risks are not too high but rates on many unsprinklered risks are too low. Chairman Wood said two or three weeks would suffice for the commission to make a ruling and this possibly could be done at the regular meeting June 3.

#### New Sulphur Springs President

At the May meeting of the Sulphur Springs (Tex.) Insurance Exchange, C. H. McCorkle was elected president.

**Program Announced for the Annual Convention to Be Held at Louisville Next Week**

The program for the annual meeting of the Kentucky Association of Insurance Agents to be held at the Brown Hotel, Louisville, June 4-5, is now announced. There will be a dinner meeting for officers and members of the executive committee on the evening before the first day of the convention. The other features of the program are as follows:

#### Thursday, June 4

Reports from standing committees.  
Report of national councillor.  
President's annual address, G. R. Reed, Columbia.  
Address, Frank T. Priest, Wichita, Kan., executive committeeman of the National association.  
12:30 p. m.—Complimentary luncheon to all registered guests by Louisville Board.

#### Afternoon

"Insurance on Financed Automobiles," R. H. Stout, Morris Plan Bank, and David Zeiser, special agent, Great American.  
Address, H. K. (Smoky) Rogers, Western Actuarial Bureau, Chicago.  
Address, J. Dan Talbott, insurance commissioner.  
"What Is a Bona Fide Insurance Agent?" R. R. Williams, Louisville.  
"Formation of Local Boards," M. W. Boedeker, Louisville.  
7 p. m.—Informal get-together dinner and dance.  
Address, "Burnt Offerings," T. P. Smith, Mayfield, Ky.

#### Friday Morning, June 5

"Farm Insurance," Vice-President D. R. Peel, Benton, Ky., and J. R. Claypool, Jr., Nashville, Tenn., special agent farm department, Continental.  
"Driver's Financial Responsibility Law," Clifford Claypool, supervisor of motor transportation.  
"Non-Stock Competition," Walter L. Falk, Liverpool & London & Globe, New York.  
"Sale of Multiple Lines," James J. Hackworth, Shelbyville, Ky.  
"Multiple Fire Lines," J. W. Bethel, state agent, Fireman's Fund.  
"Multiple Casualty Lines," Karl L. Nordyke, Travelers.  
"Multiple Surety Lines," C. T. Hyre, Fidelity & Casualty.  
Report of resolutions committee.  
Report of nominating committee.  
Election of officers.

### Ingalls Reports on Extent of Oil Drilling Extensions

OKLAHOMA, CITY, May 27.—The city council has voted an extension ordinance to legalize the extension of the U-7 or oil drilling zone to cover the

entire area east of the Santa Fe railroad and north of the Rock Island railroad, which was authorized at the election May 12. The ordinance leaves only ten city blocks in the wholesale district between the Rock Island and M. K. & T. railroad tracks and east of the Santa Fe, outside the U-7 zone as amended.

A report by C. T. Ingalls, manager Oklahoma Inspection Bureau, indicates that nearly 100 wells have been located in the area north of the state capitol grounds, east of Lincoln Terrace and north of Sixteenth street. The report continued:

"The northward trend of the field is indicated by good producing wells completed to a point north of Thirty-sixth street. A westward trend is not indicated at this time within the city limits.

"Some property owners are opposing oil development on the basis of plat restrictions and it is possible that not all blocks within the new zone extension will be drilled.

"Wells in the recent extensions continue to show large initial production but gas pressure is reported to be under 600 pounds, necessitating gas lift. Wells will soon be in process of completion in the new area, which is heavily built up with residences."

### Hunt Heads Memphis Exchange

B. T. Hunt, president Memphis Real Estate Board, has been named president of the Insurance Exchange of Memphis, to succeed Robert W. Wallace. Other officers are Victor Hexter, vice-president, and E. A. Anzier, secretary-treasurer. Joseph Hyde, J. T. Wellford and Mr. Wallace are members of the board.

### Terrebonne Exchange Meeting

The annual dinner meeting of the Terrebonne Insurance Exchange was held at Houma, La. Paul Dupont, president of the exchange, presided. Guest speakers were A. Kerr, Hartford Steam Boiler, and Julius Dupont, local business man.

### Yazoo Delta Agents Elect

INDIANOLA, MISS., May 27.—Shaw Johnson of Clarksdale was elected president of the Yazoo Delta Insurance Agents Association at the annual meeting here. Other officers elected are: Warner Wells, Greenwood, vice-president; Ernest Waldauer, Greenville, secretary. New directors are H. E. Walton, Ruleville; E. A. Tanner, Indianola; F. W. Kooops, Greenwood; Theodore Hardy, Vicksburg, and William Flautt, Tutwiler, retiring president. The Delta association will hold its July meeting in Ruleville, when President-elect Johnson will assume office.

### Beaumont Exchange Elects

The following officers have been selected by the Beaumont (Tex.) Insurance Exchange: Lum Edwards, president; T. V. Smelker, first vice-president; George Hodgson, second vice-president; Lloyd W. Frost, treasurer, and C. O. Williams, secretary, succeeding Mrs. Wilhelmine Sheffield, who has resigned to accept a position in Austin. R. C. Greeves was named legislative contact man.

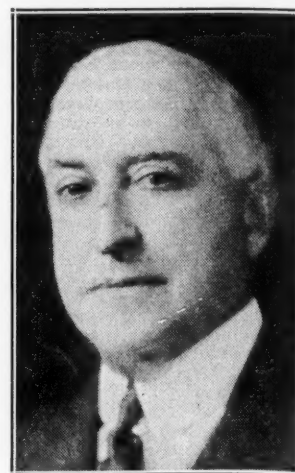
### Campbell in Houston

Melvin Campbell, who has for years been associated with Frank Rimmer in the general agency at Dallas of the Appleton & Cox companies, is opening his own agency in the Sterling building at Houston. He will represent Mr. Rimmer's companies as a local agent but will also have other associations.

### Agent Disappears, Find Shortage

Following his failure to return from the recent convention of the Arkansas Association of Insurance Agents at Hot Springs, the accounts of E. L. Wallin of Wynne, Ark., manager of the United Insurance Agency and secretary-treas-

### Is Long-Time Secretary of the National Board



SUMNER BALLARD

Sumner Ballard of New York City, president of the International and head of a reinsurance group, has been secretary of the National Board since 1921. Administrations come and go but Mr. Ballard as secretary goes on forever. He is one of the best known executives in the country. For many years until 1934 Mr. Ballard gave a dinner to National Board executives at his home, following the annual meeting, which was a very elaborate and expensive function. In 1934, as a return courtesy a dinner was tendered Mr. Ballard on the evening of the National Board's annual meeting and last year a banquet was given Manager W. E. Mallalieu in appreciation of his 25th anniversary. This year the dinner will be a general subscription affair.

urer of the Wynne Federal Savings & Loan Association were examined and a shortage of \$2,222 disclosed.

J. Gilbert Leigh, board chairman of the Federal Home Loan Bank of Little Rock, which had the audit made, announced that the loss was covered by surety bond.

Wallin notified H. K. Barwick, owner of the United Insurance Agency, of the shortage and also of his intention not to return to Wynne.

### Texas Loss Rates Up Slightly

AUSTIN, TEX., May 27.—State Fire Insurance Commissioner Mauk reports a slight increase in the fire loss ratio since February.

"This increase," he said, "is natural after the record low mark reached last year, when 27 cents of every \$1 paid for fire insurance was paid back to policyholders. That was the lowest ratio since the department was established. The highest loss ratio was in 1932, 76 percent."

### Poster Contest Awards

AUSTIN, TEX., May 27.—More than 100 posters were received in the fire prevention poster contest sponsored by the state insurance commission.

Commissioner Mauk announces that Katherine Heisler of San Antonio was awarded the first prize in the high school division and Hugh Gardener of Beaumont first in the intermediate division. Prizes amounting to \$105 were given by Cravens, Dargan & Co. of Houston.

Thomas S. Gray, 63, Augusta, Ga., local agent, died there from a heart attack.

H. L. Evans has succeeded J. R. Servaes as president of the Pacific Marine Insurance Agency of San Francisco.

Eppa Rixey, Meyers & Rixey, Cincinnati agents, was bereaved by the death of his moth, Mrs. Eppa Rixey, Sr., who died at Richmond, Va.

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## PACIFIC COAST AND MOUNTAIN

### Plan for Gathering in June

#### Colorado Agents' Directors Confer on Matters to Present Rocky Mountain Committee

DENVER, May 27.—Questions which the Colorado Association of Insurance Agents will bring before the supervisory committee of the Rocky Mountain Fire Underwriters Association meeting here June 8-9 will be discussed at a directors' meeting of the state organization which President Frank England, Jr., has called for June 5 at Colorado Springs. Among problems that have arisen are alleged violations of the state rating and licensing law. The agents also will discuss the qualification law the state group is proposing and retrospective rating of workmen's compensation.

Mr. England declared that an inland marine department through a Denver furniture store offered a policy at one-third of established rate, and is operating as an unlicensed agent. "The inroads of the inland marine department on the business of established agents operating in this state have got to be stopped," he said, "and we are going to put up a big battle."

#### Revive Midyear Meeting

The supervisory committee meeting is a revival of the semi-annual sessions which have not been held for some time. Frederic Williams, secretary Rocky Mountain association, says closer contact is needed today with problems of the association, and hence the June meeting will be held in addition to the annual session in October.

The managing committee of the Mountain States Inspection Bureau will meet in Denver, the main session being scheduled for June 10. A large part of this group is in the supervisory committee.

### General of Seattle Gets Reversal of Oregon Ruling

The circuit court of Marion county, Ore., has set aside the ruling of former Commissioner Averill of Oregon suspending the license of the General of Seattle on the ground that it was violating the law in writing participating policies. The court holds that the writing of a participating policy does not violate the Oregon code which prohibits rebating. Neither has the company violated the section pertaining to rate schedules. There is a complete reversal of the ruling.

#### Mesher Returns to Seattle

Irwin Mesher, executive secretary Insurance Agents' League of Washington, has returned to his headquarters in Seattle following several weeks visit to California. "The Washington Agency Bulletin," edited by Mr. Mesher, was recently adopted as official organ of the Idaho Association of Insurance Agents.

#### Insurance Players Broadcast

The Insurance Players of San Francisco formed the cast of the playlet, "A Family Affair," broadcast over radio station KJBS on the regular program of the California Traffic Safety Council. Among those participating in the broadcast were: Miss Gene Theraul, K. C. Hamilton Co.; Sigmund Arndt, Finn-Elbow Company, and Frank Chartier, Fidelity & Guaranty Fire.

#### Melick Heads Phoenix Society

SAN FRANCISCO, May 27.—Herbert Melick, America Fore, was re-elected "Ra" or presiding officer of the Phoenix Society of San Francisco at the annual meeting. The organization is composed of the fire-fans of the city.

Insurance men among the Patriarchs, the governing body, are Roy M. Coon, Pacific Board; R. L. St. Clair, French & St. Clair; Clayton Sherman, broker, and Richard Selig, Cosgrove & Co.

#### Brokers Society to Elect

SAN FRANCISCO, May 27.—The Society of Insurance Brokers will hold its semi-annual meeting June 9. Candidates nominated for the governing committee are F. W. Boole & Co., Bowie Detrick, French & St. Clair, Grant-Birkholm & Co., Kelly & Thomas, M. M. Meherin & Son and Louis Stockmeier. Reports of the arbitration committee, special committees and the treasurer will be given.

#### Joint Meet Up to Wyoming

DENVER, May 27.—Possibility of the Wyoming Association of Insurance Agents joining with the state groups of Colorado and New Mexico in a joint convention this fall lies in the decision of the Wyoming executive board, Frank England, Jr., president of the Colorado association, has been advised. Fred C. Hank, president of the Wyoming group, has written Mr. England that he will have to take the matter up with the executive board of his association, which should meet soon. The idea was suggested by Postelle Cooper, president of the New Mexico agents.

#### Wyoming Mine Underinsured

DENVER, May 27.—The Fire Companies Adjustment Bureau has just adjusted a \$300,000 loss to the Lion Coal Co., Rock Springs, Wyo., which insured for only about one-third of the actual loss. Surface buildings and machinery were destroyed or severely damaged by the fire it was found. Cause of the blaze has not been definitely established. Decline of the coal industry in that section is believed to have encouraged the low amount of insurance carried.

#### Organize at Sterling, Col.

STERLING, COLO., May 27.—A local agents association is being organized here, with intention of joining the Colorado Association of Insurance Agents. Twelve local men formed a temporary organization here during the two-day fire prevention meeting. Dean Dowis was elected temporary chairman. Frank England, Jr., president of the state group, explained the requirements which the local association must meet, and organization along these lines is being effected.

#### Countryman Returns From East

R. L. Countryman, Pacific Coast manager of the Norwich Union Fire, has returned to San Francisco after visiting the New York head office.

#### Returns from Alaska Trip

Allan V. Kelly, independent adjuster of Seattle, has returned to his office after a 7,000-mile trip to Alaska, where he settled a number of losses. He traveled by plane for some 3,000 miles into the Yukon country.

#### Insurance Post Hears Judge

Judge Elmer R. Robinson of the superior court of San Francisco spoke at the luncheon of Insurance Post 404.

#### Pacific Coast Notes

B. F. Wenver, assistant manager of the Royal-Liverpool group in San Francisco, has been visiting in Denver the past two weeks.

Charles W. Davis has purchased the insurance department of Fred S. James Company, 261 East Third street, Long Beach, Cal., an old time real estate firm. Mr. Davis has been in the business for some 20 years. He will open his own headquarters in about a month.



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<input type="checkbox"/> The Natl. Underwriter—(Fire and Cas.)	\$4.00
<input type="checkbox"/> The Natl. Underwriter—Life Ins. Ed.	3.00
<input type="checkbox"/> Fire Protection	1.00
<input type="checkbox"/> Accident & Health Review	2.00
<input type="checkbox"/> The Casualty Insurer	2.00
<input type="checkbox"/> Industrial Salesman	1.00

## EASTERN STATES ACTIVITIES

### Mayor Calls for Rate Cut

**Insurance Officials to Show Cause Why Tariff Shouldn't Be Reduced**

BOSTON, May 27.—Officials of the Boston Board were summoned to a meeting before Mayor Mansfield of Boston to show cause why the fire insurance rates of the city should not be drastically cut, in view of the marked reduction in fire losses in the city during the past three years, when the annual loss has been less than one-half the 1930 figures.

Mayor Mansfield stated: "A report from Fire Commissioner McLaughlin, indicating a reduction of fire losses in Boston from \$5,151,541 in 1930, to \$2,033,107 for 1935, leads me to the conclusion that apparently the insurance companies are not giving the policyholders the benefits which the low losses would warrant.

"The credit for the reduction belongs to the fire fighting force and various other divisions within the department, such as fire prevention and maintenance divisions, especially in view of the fact that, due to extreme need of economy, the fire department's personnel is lacking 120 men.

"It will be maintained, of course, that overhead charges are such that companies do not profit sufficiently from rates they receive in the way of premiums. Surely, if they could operate at the rate prevailing today, and make money in 1930, with a \$5,000,000 loss, then today, with a saving of some \$3,000,000, or 60 percent, their financial condition must be greatly enhanced. Beyond this, however, is the money they make from investment funds."

The Boston Board was represented by W. H. Winkley, who called attention to the fact that a survey of Boston was being made by the National Board.

### Want Divorce of N. J. Bank and Insurance Supervision

NEW YORK, May 27.—Separation of the present department of banking and insurance of New Jersey and the creation instead of a distinct bureau for each was advocated by President L. G. McDouall of the New Jersey State Bankers Association at its annual convention at Atlantic City. In urging bankers to work for the formation of a separate banking department Mr. McDouall urged that the post of commissioner be given to an experienced financier, who would be paid an adequate salary and whose term of office would be fixed at five years. Insurance interests would doubtless welcome the creation of a department whose sole function would be supervision of insurance affairs.

The bankers' association formally went on record as favoring the proposed change.

### House Passes Mutual Bill

The Massachusetts house has passed the amended reinsurance bill sponsored by the Associated Factory Mutuals permitting member companies to reinsure risks with other companies of the group and to return dividends to policyholders on the basis of the dividends paid by the reinsuring companies on the risk, instead of the rate of the direct writing company. Proponents of the measure admitted the bill was legislation for a specific group.

Under the revised bill a factory mutual may reinsure parts of large risks in the usual fashion but may also split up liability by listing reinsuring companies in the policy, making the return dividends dependent on those paid by the

sharing companies. The object of the legislation was to enable mutuals to cover large risks with a single policy.

### Hear Somerville, Mass., Case

The case of the city of Somerville, Mass., which had brought action against the New England Insurance Exchange before the state Fire Insurance Appeals Board on Rates, to have the 5-cent conflagration charge rescinded because of improved conditions in that city, came up for adjourned hearing before the board. Counsel John W. Downs of the exchange said the city "was not a person within the meaning of the law" and therefore was not entitled to bring action for modification of rates before the appeal board. This position was sustained by the board in the first complaint filed.

A second complaint having been filed in the name of Mayor Knox, a former Boston local agent, the board took decision under advisement.

### Vermont Meeting Date Set

The annual meeting of the Vermont Association of Insurance Agents will be held in Fairlee, Vt., Sept. 23.

### Connecticut Agents' Meeting

The date of the mid-year meeting of the Connecticut Association of Insurance Agents at Norwich, Conn., has been set for June 9. The meeting will be at the Norwich Inn. T. A. Sturgis of New Haven is president of the Connecticut association and will preside.

A business session in the morning will be followed by luncheon and golf in the afternoon. Among the guests expected are E. J. Cole, Fall River, Mass., past president of the National Association of Insurance Agents, and George Scott of New York city, assistant secretary of the same body, as well as Joseph Maurice of Hartford, deputy insurance commissioner.

### General Agency Appointment

R. S. Hoffman & Co., of Boston have been appointed general agents in eastern Massachusetts for the Standard Fire of Trenton, N. J.

### Officials at the Convention

Among company executives at the New York State Association of Local Agents convention in Syracuse were A. C. Wallace, Agricultural; Charles Freeman and George W. Roberts, Springfield; C. B. Roulet, National; F. E. Burke, R. F. Van Vranken and H. S. Poole, Home; Harold Junker, A. L. Ross and E. P. Folley, Crum & Forster; Harry F. Smith, Automobile; J. A. Reid and Harold C. Davis, New York Underwriters; Archibald Kemp, Firemens; R. E. Brown, American Surety; John J. Flynn, Massachusetts Bonding.

### DeCelles Pushes Rate Fight

BOSTON, May 27.—"I intend to fight for the establishment of fire insurance rates on a basis of fire losses paid and seek legislation which will wipe out the present system of rate making, which is uncontrolled and unregulated," declared Commissioner DeCelles in a talk here before the Massachusetts Fire Chiefs Club.

Charging that the big insurance companies "are in the banking and investment business and not in the insurance business," Commissioner DeCelles continued:

"A careful study of the ratio of losses paid to premiums collected shows that the insurance companies return to the people an average of 35 cents for each dollar collected and still cry about losing money, charging the costs of inspection service as an insurance cost, when practically all the inspections for safety are made by the fire and state departments and paid for from taxes.

"While the records do not show a reduction in the number of fires, they do show great reductions in fire losses."

### Extent of Water Damage

It has been estimated 25 percent of annual fire loss is actual destruction by fire and the remainder is produced by water used in extinguishing and other causes in connection with fire fighting, faulty or otherwise, J. T. Keegan, superintendent Newark Salvage Corps said in a talk on "Salvage Work" before the fire session of the Eastern Safety Conference held in Asbury Park. Much unnecessary damage is bound to occur in fighting fires, he said. "For cities that can afford an organized salvage corps, it is often feasible to combine the functions of the corps and a rescue squad in one unit. An important duty of a salvage corps is detection of incendiarism.

### New York Executive Committee

T. L. Rogers, Little Falls; Albert Dodge, Buffalo, and Warren E. Day, Syracuse, were elected members of the executive committee of the New York Association of Local Agents. They and the officers constitute the committee.

### Smith Associate Manager

C. H. Smith, formerly assistant manager of the Home of New York group in Philadelphia, has been made associate manager there.

Rates under the new mercantile schedule are being published for Rochester, N. Y., as they are completed.

### Organizing Mexican Company

MEXICO, D. F., May 27.—Under a concession from the finance ministry, a fire and commercial risk company to be known as La Commercial, S. A., will be organized in Mexico. It will be financed exclusively with Mexican capital and have its headquarters here.

## MOTOR INSURANCE NEWS

### Harding Heads Western Unit

**Western Committee of the National Automobile Underwriters Association Is Chosen for the Year**

At the meeting of the western regional automobile committee of the National Automobile Underwriters Association J. C. Harding, western manager of the Springfield F. & M., was elected chairman, he being chairman of the governing committee of the Western Underwriters Association, and W. P. Robertson, western general manager of the America Fore, who is vice-chairman of the governing committee, was chosen vice-chairman of the automobile committee. The western regional automobile committee consists of the members of the governing committee of the Western Underwriters Association including those ex-officio.

### Special Subcommittee Named

This year, instead of having a western advisory committee of a number of men, a special subcommittee of the western regional committee is appointed, consisting of E. A. Henne, chairman; W. N. Achenbach, Aetna Fire, and S. M. Buck, Fireman's Fund, together with A. F. Powrie, Fire Association, and Mr. Harding, ex-officio members. Its function will be to serve as a contact committee between the rates committee and the regional committee. The smaller committee can act with greater freedom and dispatch and any reports and suggestions will be considered by it prior to submission to the regional committee.

The rates committee appointed is as follows: R. E. Dixon, Fire Association, chairman; A. O. Andersen, Fireman's Fund, vice-chairman; L. L. Sanders, National Fire; A. M. Wagner, Hanover; A. T. Moyer, North America; S. A. Goodman, Springfield F. & M.

### Emmco to Be Running Mate

The Emmco Insurance Company of South Bend, Ind., which was recently organized by the Associates Investment Company of South Bend, will share with the Motor Indemnity Association, a reciprocal concern, the insurance on automobiles financed by Associates Investment Company. The Emmco has capital of \$300,000 and paid in surplus of \$200,000. It will be used in those states where the management decides a stock company will be preferable to a reciprocal.

The Motor Indemnity Association more than doubled its premiums in 1935, as compared with 1934. Its 1935 writings were \$1,005,324, in 1934 its net premiums written were \$461,930. It had a loss ratio of 70.4 per cent on an incurred and earned basis last year.

### Issues Before the Meeting

**National Automobile Underwriters Association Is in Session in New York This Week**

NEW YORK, May 27.—Prominent among the subjects slated for consideration at the annual meeting of the National Automobile Underwriters Association, now in progress here, is the method to be employed in making effective the largely autonomous government plan for each of the four regional divisions of the organization, decided upon some months ago. It is further understood the special committee that has been giving consideration to finance business will tell of its present status and of the lines to be followed by the committee for the further exploring the problem, with a view to bringing local agents into the picture to a larger extent than hitherto. Officers will be chosen. It is taken for granted those now serving will be reelected.

It is not believed that the National Automobile Underwriters Association will grant much more autonomy to the regional bodies. Largely emanating from the central west division came the plea for almost complete self government so far as rates and forms were concerned due to peculiar conditions in that territory. The point was made that immediate action often was required and furthermore it was contended that the directors did not appreciate the conditions in distant fields. It is thought that the formation of a special committee in the regional bodies, composed of three members with two ex-officios, will give greater dispatch to any movement.

### Denver Agents Debate on Automobile Finance Issue

DENVER, May 27.—Automobile financing was discussed by the Denver Association of Insurance Agents at the regular luncheon meeting, and a special meeting called, probably to be held June 5, President T. C. Heatwole announced. Report of preliminary survey of auto dealers and finance companies was given by Dell Van Gilder, chairman special committee on the subject. Many finance companies and dealers will cooperate with agents, he believes.

He suggested appointment of several agents to assist him in calling on finance and auto dealers to secure their cooperation and acceptance of policies of the association members. He urged the agents to cooperate with the dealers by giving them adjustments at regular repair charge rate. The high commissions that finance companies get for



sale of insurance is not warranted, he said.

Other suggestions made were that a heavy advertising and promotional campaign be launched to sell auto fire and theft insurance through local dealers, and legislation requiring annual qualification of finance and insurance companies.

### Auto Finance Ruling Sought

COLUMBUS, O., May 27.—The Ohio department has been asked to rule on whether finance companies may receive applications for insurance on financed automobiles and whether they shall be permitted to make a profit out of the insurance. It has been contended by insurance men that automobile dealers and finance men who negotiate this insurance are violating the resident agent law.

### Michigan Finance Probe

LANSING, MICH., May 27.—The Michigan department's investigation of the operations of automobile finance companies in the insurance field has revealed, according to department officials, that in numerous cases time purchasers of cars have been required to pay extra premiums for certain special forms of coverage which protected the financing agency against risks inherent in the business. As an instance it was revealed that one finance company added a \$3 premium charge on every contract for malicious damage insurance, protecting the company should the car-buyer retaliate by damaging the machine in event of an impending repossession. Malicious damage coverage for the car-owner is included, of course, in comprehensive and complete auto policies provided through established agencies.

Department officials, however, have found the finance companies more tractable and cooperative than expected. Some of them have indicated that they would be glad to eliminate present diffi-

culties by placing their business through some regular agency, a procedure which would end evils peculiar to finance company agencies and would simplify supervision of this class of business by the department.

### Kansas City Losses Up

KANSAS CITY, May 27.—Agents here are considerably perturbed over the increasing losses on automobiles. Such losses have been increasing since the first of the year and the first 18 days of May 68 cars were stolen, 54 of them stripped before recovery, representing an average replacement cost to companies of approximately \$250.

If the condition is not remedied, penalty rates, reduced some months ago, may be made effective again.

### Attend Automobile Meeting

E. A. Henne of Chicago, western manager America Fore, who is chairman of the special subcommittee of the western regional automobile committee, and J. C. Harding, chairman governing committee of the Western Underwriters Association, E. L. Rickards, branch secretary of the western branch of the National Automobile Underwriters Association, are in New York this week attending the annual meeting of the automobile body.

### F. A. Barker Is Promoted

At the annual meeting of the American Motorists of Chicago, F. A. Barker, assistant secretary, was elected second vice-president.

### Glaze Made Special Agent

Harry F. Glaze has been appointed special agent of the National Automobile of Los Angeles at its home office. He was with the National from 1923 to 1931, when he resigned to open a brokerage office. More recently he has been in charge of the automobile department of Henley & Scott in Los Angeles.

## CANADIAN

### Ontario Balances Overdue Show Material Reduction

TORONTO, May 27.—In a report on insurance agents balances more than 90 days overdue as of March 31, Superintendent McNairn of Ontario shows a total of \$195,079 owing to companies, which compares with \$295,984 a year ago, and with \$235,841 Dec. 31. The amount reported as due to general agents is \$21,077, against \$18,335 a year ago and \$19,788 three months ago. In his comment, Mr. McNairn says:

"In previous reports we have expressed our appreciation of the splendid cooperation volunteered by the majority of companies and general agents in the filing of these returns and our expression of appreciation to the majority has perhaps minimized our rebuke to the minority. In making this report, however, while we commend those companies and general agents which have reported promptly, we wish to remind the dilatory few that their lack of appreciation of the work entailed by their dilatoriness has added tremendously to the work involved in the compiling of data from these returns in the department. Therefore I feel compelled to say that if the few companies and general agents that have been slow in filing their returns in the past persist in their dilatory tactics in filing the next return, I shall consider what disciplinary action may be taken under the provisions of the insurance act."

### Stewart With Phenix of Paris

A. M. Stewart has been appointed production manager of the Phenix Fire of Paris and the General Fire of Paris at the Canadian head office at Montreal. Recently he has been a member of the staff of the adjusting firm of Kilgour, Hamilton & Co. of Montreal. Previously he was Canadian manager of the Hanover.

The Hanover Fire licensed in Manitoba has appointed C. Heath as its attorney in the province.

### Brief Glimpses of Texas Agents' Annual Gathering

(CONTINUED FROM PAGE 13)

Vice-president and Secretary J. R. Plummer introducing the officers and department heads and President Morgan Duke extending welcome.

E. K. Polk of Corsicana is one of two charter members of the association still living and has never missed a convention, this being the 39th he has attended. The first meeting was in the office of Walter Fort of Waco, who died several years ago.

Unfortunately W. L. Stiles, San Antonio, the only other living charter member was prevented from attending because of sickness in his family.

The convention closed at a delightful affair in the Lake Worth Casino given by the Gulf of Dallas. A Dutch lunch was served, followed by dancing. Vice-presidents Sheerin and Mansfield and other officers were hosts.

Former presidents attending, who were introduced from the floor, were: A. D. Langham, Houston; E. K. Polk, Corsicana; Harry Walton, Fort Worth; John K. Boyce, Amarillo; Charles Duncan, Mount Pleasant; H. A. Lawrence, Fort Worth, and R. W. Thompson, Dallas.

The three men's attendance prizes were won by Maynard Robinson, Temple; Ben Calhoun, Houston, and Ed Freyschlag, Eastland, and the two women's prizes by Mrs. J. O. Smith, Dallas, and Mrs.

Hugh Gracy, Weatherford. The prizes were donated by the Cravens & Dargan, Trezevant & Cochran, T. A. Manning & Sons, Beers Kenison & Co., and Floyd West & Co., agencies.

Among offices holding open house were the Aetna Casualty, America Fore group, Republic, T. A. Manning & Sons, American Indemnity, Floyd West & Co., and Home of New York.

Secretary Foreman was as usual, everywhere at once lending a helping hand where needed. No one appreciates his assistance and capabilities more than members of the insurance press.

A new feature was a golf match between local agents and company men at the River Crest Country Club.

During the men's luncheon Thursday the visiting ladies were given a luncheon at the Fort Worth Woman's Club.

A new feature and one greatly appreciated was a complete list of registrations up to 6 p. m. May 21, distributed that same evening with the compliments of the southwestern department of the Fire Companies Adjustment Bureau at Dallas.

F. Mazza, the new assistant general manager of the southwestern department, was responsible for this as until recently he was in the New Orleans office and realized how greatly appreciated was a similar list given out for several years at the Louisiana state convention by Henry Steckler of New Orleans.

### Security of Iowa Rally

The field men of the Security of Iowa gathered in Davenport, the home office city, for the annual roundup. Assistant Secretary I. H. Ramaker presided at the banquet and at most of the business sessions. There was golf in the afternoon. R. E. McGonigle of the Western Sprinkled Risk Association gave a talk.

## INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business May 25, 1936.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	3.00	98	102
Aetna Fire .....	10	1.60	53	55
Aetna Life .....	10	.80	33	35
Agricultural .....	25	3.00	81 1/2	83 1/2
Amer. Alliance .....	10	1.20	23 1/2	25
Amer. Equitable .....	5	1.05	30	32
American (N. J.) .....	2.50	.50	14	15 1/2
Amer. Surety .....	25	2.00	54	56
Automobile .....	10	1.20	36	38
Boston .....	100	21.00	635	655
Camden Fire .....	5	1.00	21	23
Carolina .....	10	1.20	28	30
Contl. Casualty .....	5	1.00	25 1/2	26 1/2
Contl. Ins. ....	2.50	1.45	38	39
Cum. & For. Com. ....	5	.85	29	31
Fidelity & Dep. ....	20	2.25	95	97
Fidelity-Phen. ....	2.50	1.45	39	40
Fire Assn. ....	10	2.50	74	77
Fireman's Fund .....	25	4.00	98	100
Fireman's F. Ind. ....	10	...	30	33
Firemen's (N. J.) .....	5	...	10	11
Franklin .....	5	1.20	30	32
Glens Falls .....	5	1.60	40	42
Globe & Repub. ....	5	.50	13	14
Gl. & Rut. (com.) .....	25	...	41	43
Gt. Amer. Fire .....	5	1.20	27 1/2	28 1/2
Gt. Amer. Ind. ....	1	.15	9	11
Halifax Fire .....	10	.90	21 1/2	23
Hanover Fire .....	10	1.60	39	40
Harmonia Fire .....	10	1.20	27	28 1/2
Hartford Fire .....	10	2.50	73	75
Htfd. Steam Boil. ....	10	1.60	73	75
Home Fire & M. ....	10	2.00	45	49
Home Fire Sec. ....	10	...	5	5 1/2
Home (N. Y.) .....	5	1.20	35	37
Homestead .....	10	1.00	25	27
Ins. Co. of N. A. ....	10	3.00	72	74
Merc. Assur. com. ....	2.50	1.25	52	56
Natl. Cas. ....	10	.80	17 1/2	18 1/2
Natl. Fire .....	10	2.00	71	74
Natl. Liberty .....	2	.30	9	10 1/2
Natl. Union .....	20	2.50	125	129
New Am. Cas. ....	2	...	11	12
News Brunswick .....	10	1.30	32 1/2	34 1/2
Northern (N. Y.) .....	12.50	4.00	98	101
North River .....	2.50	1.00	26	27 1/2
N. W. Natl. Cas. ....	2.50	.10	6	7
N. W. Natl. Fire .....	25	5.75	128	133
Pacific Fire .....	25	4.25	124	127
Phoenix, Ct. ....	10	2.50	87	89
Prov. Wash. ....	10	1.25	41	43
Rossia .....	5	.70	12	13
Security .....	10	1.40	36	38
Southern Fire .....	10	1.20	25	27
Sorgd. F. & M. ....	25	4.75	130	133
St. Paul F. & M. ....	25	7.50	208	215
Travelers .....	100	16.00	550	565
T. S. Fire .....	4	1.70	51	53
T. S. F. & G. ....	2	...	14	15
Westchester Fire .....	2.50	1.40	34	36

\*Includes extra.

\*\*Canadian funds.

## MARINE INSURANCE NEWS

### Atlantic Mutual Loses Suit

#### U. S. High Court Reverses Lower Court Award on Claim Against the War Department

Holding that the claim accrued more than six years before suit was begun, the United States Supreme Court reversed a decision of the United States court of claims awarding the Atlantic Mutual a claim against the war department for a general average contribution on cargo jettisoned by the transport "Logan" on a voyage to the Philippines in 1918.

As a result of fire during the voyage, part of the cargo belonging to the Philippine government was jettisoned or damaged. The cargo was covered by insurance and damages were paid to the Philippine government. In 1921 the company presented a claim for general average contribution to the war department, where it was denied, and suit was brought in the court of claims in 1929.

The government defended suit on the ground the statute under which the court of claims operates provides that suits must be brought within six years. In reversing that court, the Supreme Court took the attitude that the claim accrued in January, 1919, when the ship reached its destination and the cargo was delivered.

### Marine Change in San Francisco

SAN FRANCISCO, May 27.—J. R. F. Servaes has resigned as president and director Pacific Marine Insurance Agency. He will be succeeded by Harry L. Evans of E. C. Evans & Sons as president and Ivan N. Kemsley as operating manager. Mr. Servaes who

has been with the agency since its organization 15 years ago will remain in the marine insurance field. Mr. Kemsley has been with the agency since 1935 when he came to Pacific Coast from New York where he was with the Fireman's Fund since 1929. He previously was with Willis, Faber & Dumas in London.

### Gilsdorf Goes to Detroit

Norman Gilsdorf, formerly of the Northern of London, who recently joined the western department of the Marine Office of America, is being assigned to the Detroit office, from which he will travel Michigan and Ohio.

### Davies Made Field Supervisor

Victor W. Davies has been appointed field supervisor of the marine department Fred L. Gray Company general agency of Minneapolis.

Mr. Davies has for the past eight years been special agent of the marine department Automobile of Hartford, covering Minnesota, Wisconsin and Iowa. The Fred L. Gray agency has specialized in marine insurance for many years and represents the Royal Exchange, United Firemen's, Sentinel Fire and the Equitable Fire & Marine.

D. C. Bowersock, marine secretary Providence Washington, was a visitor in Chicago this week conferring with officials in the branch. After visiting a number of agencies in the mid-west, he will return to the home office.

Mrs. R. A. Brown has been elected president of R. A. Brown & Co., Birmingham agency, succeeding her husband, who died a few days ago. The business was founded 32 years ago by Mr. Brown. W. R. Mizelle, who has been vice-president and manager for several years, will continue in that position.

# SAFE DRIVING

5 P. M. — GOING HOME  
SPEED! SAVE 5 MINUTES —  
WHICH ARE WORTH \$ — (?)

SAVING THOSE 5 MINUTES  
IS THE POOREST PIECE OF  
SPECULATION IN A DRIVER'S  
ENTIRE BUSINESS DAY

INVEST 5 MINUTES IN  
**SAFE DRIVING**

KANSAS CITY  
NEW YORK  
CHICAGO  
LOS ANGELES  
SAN FRANCISCO

**EMPLOYERS  
REINSURANCE  
CORPORATION**

E. G. TRIMBLE, President



# The National Underwriter

May 28, 1936

CASUALTY AND SURETY SECTION

Page Twenty-nine

## New Rating Plan Is Given Support

Rates Committee of National Council Approves the Retrospective Proposal

### MEMBERS ARE NOTIFIED

Action Follows Declination of Non-Stock Representatives to Vote on the Proposition

NEW YORK, May 27.—Through support of stock company members of the rates committee of the National Council on Compensation Insurance, and the declination of representatives of the non-stock carriers to vote on the proposition, the subjoined resolution approving the retrospective experience rating plan was adopted at a meeting of the committee:

#### Resolution Is Adopted

"Whereas the proposed plan of retrospective rating for large compensation risks will provide an effective incentive for accident prevention and safety work and will permit determination of risk premium commensurate with hazard and expenses for the individual risk in a reasonable manner and in accordance with sound actuarial principles; be it

"Resolved: That the rates committee adopt this plan, substantially in agreement with the principles outlined in the attached memorandum, and be it further

"Resolved: That the rates committee request the actuarial committee to make a critical review of the present experience rating plan and report its findings to the rates committee at the earliest possible date."

#### Notice Sent to Members

Notice of the action taken has been sent all regional committee members with the request they register their vote as applied to the state or states for which they are committeemen not later than June 8.

In support of their endorsement the stock company representatives prepared the following statement:

"1. The purpose of the retrospective rating plan is to supplement the present rating procedure by providing a practical method of underwriting large compensation risks on a basis which will permit determination of the risk premium commensurate with the hazard of the individual risk for the period for which the coverage applies.

#### Risk Premium Produced

"2. The risk premium produced by the plan is more responsive to the actual loss experience of the risk than is the case under the present method of determining risk premium on a prospective basis. As a matter of fact, it is evident that the proposed plan will more closely measure the risk experience for the policy period than any plan of prospective rating which can be devised.

"3. The plan is actuarially sound. The underlying basic premium charges

## Blanket Bond Situation in Illinois After Recent Ruling

WORKING ON NEW FORMS NOW

Surety Association of America Takes Cognizance of the Ukase of the Insurance Department

A committee of the Surety Association of America is working on the new forms which will be required in Illinois since the attorney general of that state ruled that surety companies have been violating the casualty act of 1899 in executing these instruments. Work has been slowed up by the fact that the committee members are in three different cities, but definite results are hoped for soon.

Surety men expect that two forms will be needed, one to cover the fidelity hazard and to be executed by the surety department of a company and the other to cover the burglary and robbery hazards, executed by the casualty department. Riders to assume the hazards of misplacement and disappearance and possibly forgery will also be required.

Since the ruling of the Illinois department, the surety companies have been swamped with letters from insured banks, asking about the present status of their protection. The banks have been assured that the companies will pay any loss covered by the bonds, whether it occurs before the new legalized forms have been issued or not.

and the loss conversion factors together result in provisions for losses, expenses, and contingencies which individually and collectively are reasonable and adequate. The charges necessitated by limitation of risk premium to the specified maximums have been proven to be reasonable and adequate, by check against actual experience compiled by the Compensation Insurance Rating Board on New York risks of policy years 1932 and 1933 and by the Massachusetts Rating & Inspection Bureau on Massachusetts risks of policy years 1930 to 1933, inclusive.

"4. The reasonableness of the results produced by the plan is indicated by test ratings computed by the Compensation Insurance Rating Board for all risks qualifying thereunder on the basis of experience in New York for policy year 1933.

#### No Unfair Discrimination

"5. The plan does not discriminate unfairly between risks of like hazard. The basis of premium determination incorporates essentially the same fundamentals as those underlying the approved method for risks written on an ex-medical coverage basis, concerning which no charge of unfair discrimination has ever been made.

"6. The use of actual incurred losses as a basis of premium determination under the plan, rather than use of losses modified by average values for serious claims, is advocated. The relatively infrequent occurrence of serious claims, coupled with the limiting effect of the maximum premiums specified under the plan, support the contention that this procedure will not, in effect, operate to the detriment of employees.

(CONTINUED ON PAGE 37)

## Small Risk Good Field for Casualty and Surety Lines

AGENTS HAVE OPPORTUNITIES

Howard P. Dunham, Vice-president of American Surety, Addresses Association at Asbury Park, N. J.

There is a large undeveloped market for fidelity bonds, forgery bonds, burglary and robbery, plate glass, public liability, elevator insurance, etc., for the small and medium sized mercantile and industrial risk, declared Howard P. Dunham, vice-president American Surety and former Connecticut commissioner, before the Monmouth County Insurance Agents Association at Asbury Park, N. J.

Speaking on the value of company and agent associations and giving production hints, Mr. Dunham stated that too much emphasis has been laid on developing large, so-called target risks which produce big premiums but which are also highly competitive lines. He urged agents to concentrate on the smaller risks as "this type of business, if developed in sufficient volume, will provide a steady income and further will not cause loss of sleep for fear it may be lost to a competitor at the next renewal date."

#### Education Is Necessary

In regard to fidelity coverage, he pointed out, a good deal of educational work must be done in convincing heads of small companies who have known their employees intimately for years that the cost of fidelity bonds is justified. In the past, these bonds have been purchased, rather than sold, and he attributed this largely to the fact that many agents have not been as well acquainted with the contract as with fire, automobile and other coverages, and have failed to realize its possibilities.

He said that plans are now being consummated by the larger writers of fidelity bonds to jointly make available an educational course for insurance brokers in this field in New York City in the fall. "This plan has already been tried with success for accident and health lines and great hopes are being held for similar results in the fidelity field."

#### Necessity for Bonds

Mr. Dunham urged agents to emphasize to banks the wisdom of insisting that creditor corporations protect their bank loans and their own funds by bonding officers and employees in positions of trust. They are also good prospects for non-ownership public liability insurance, forgery, interior and messenger and paymaster holdup insurance. Agents should obtain from city police departments names and addresses of residents whose homes have been burglarized and vigorously solicit burglary insurance. Real estate transfers will mean prospects for residence public liability. Newspapers should be constantly watched for stories that can be used in solicitation. The 29,000,000 homes in the United States should all be insured under O. L. & T. contracts.

"In short," he continued, "if we walk

(CONTINUED ON LAST PAGE)

## Broad Liability Policies Ready

Indemnity of North America Has Fiduciary Coverage Asked by California Bankers

TWO CONTRACTS OFFERED

Certificates for Ordinary Risks on All Interests, Comprehensive for Fiduciary Alone

PHILADELPHIA, May 27.—Two liability policies to fit the needs of banks and trust companies and other fiduciaries are announced by the Indemnity of North America. The two policies will fill the requirements laid down by the insurance committee of the California Bankers Association in a report made last December. So far as known, the North America is the only company that has prepared policies to fit those requirements. In announcing the new forms the company stated that "When public opinion becomes crystallized in the necessity for a particular kind of coverage, it is the duty of insurance companies to fill that desire and need."

The two policies cover the California recommendations rather closely. The first is a blanket policy, covering the fiduciary as well as any person, firm, corporation, estate, party or parties, named in certificates that will be issued under the master policy. The master policy will be continuous until cancelled. Individual certificates will be issued covering the interests of various estates or trusts or others concerned.

#### Usual Liability Exclusions

The master policy and certificates will have the usual liability exclusions, that is, motor vehicle, teams liability, elevator liability unless assumed, and contractual and products liability.

Automatic coverage is afforded with respect to all property, including elevators, acquired after acceptance of policy, and as to contractual and product liability, for 90 days. Automatic coverage is also provided with respect to contractual liability under leases and written contracts, if any, the automatic coverage running for 90 days. Alterations and repairs are covered. The fiduciary is required to keep records of cost of work done and remuneration earned by assured's employees engaged in extraordinary alterations to any premises covered by the policy.

#### Fiduciary's Comprehensive Form

The second is a fiduciary's comprehensive liability policy which protects only the fiduciary. It takes care of the cracks, loopholes and oversights in the master policy and certificates or in the issuance of certificates. The coverage is all liability without exclusions, except certain risks required to be covered under special types of policy, like compen-

(CONTINUED ON PAGE 38)

## Program Is Announced for New York Federation Meet

### GATHERING TO BE IN BUFFALO

Golf Tournament Will Be Held in Connection With the Annual Conference, June 5-6

The annual meeting of the New York Insurance Federation will be held at the Hotel Statler, Buffalo, June 5-6. The first day will be given over entirely to golf at the Meadowbrook Golf & Country Club. There will be five events. Among the donors of prizes are J. S. McClellan of Troy, president of the New York Insurance Federation; W. C. Potter, president Preferred Accident; W. J. Falvey, New York City, vice-president Massachusetts Bonding; Edson S. Lott, chairman of the board United States Casualty; John H. Grady, assistant United States manager General Accident, and A. G. Oakley, vice-president United States Fidelity & Guaranty.

The business session will be held the morning of June 6, when President McClellan will give his address. L. A. Wallace of New York City, chairman of the executive committee, will report. John S. Turn, manager of the Travelers at New York City, will speak for the finance committee. L. L. Saunders of Albany, executive secretary, will give his report. A. J. Young of Albany, the treasurer, will give the financial report.

The annual banquet will be held the evening before with Frank P. Tucker of Albany as toastmaster. He is the first vice-president. Other vice-presidents are F. L. Gardner, Poughkeepsie; George P. Nichols, New York City, and J. G. Norton of Watertown. John L. Tiernon, Jr., of Buffalo is chairman of the reception committee; C. B. Lascelles of the hotel committee; C. M. Epes, golf; E. C. Roth, invitation; W. H. McPherson; John C. Olson, local; C. H. Wilson, entertainment. Mayor Zimmerman of Buffalo will give the address of welcome at the banquet and President McClellan of the Federation will respond.

### Bay State Auto Bill Signed

Governor Curley of Massachusetts has signed a bill, carrying an emergency preamble which puts it into immediate effect, that provides in the event of the death of an automobile liability insurance policyholder under the compulsory law, during the lifetime of the policy, coverage is to be extended 90 days to anyone properly authorized by the estate to operate such car. Previously it had been necessary first to have an administrator or executor appointed by the court before the car could be used.

### Rescind Air Cover Requirements

The corporation commission of Virginia has decided to abandon its practice of requiring airplane operators to carry public liability and property damage insurance, on recommendation of R. E. Steele, inspector for the commission, that the rule was working a great hardship on Virginia operators, who number about 100.

**Opportunity for young negligence claim man to connect with prominent old adjustment office, southern Ohio, with working interest in business.**  
ADDRESS D-35, NATIONAL UNDERWRITER

### EMPLOYMENT WANTED

By Automobile Underwriter and/or Claim Adjuster, age 38, with eight years experience in all Automobile lines in both Acquisition and Claim Departments, who has been out of the insurance business for several years. Willing to accept a small salary in exchange for the connection and the opportunity for both review and development.  
ADDRESS D-36, NATIONAL UNDERWRITER

## Ralph Miller to Retire After Long Field Service



RALPH W. MILLER

Ralph W. Miller, who has been connected with Conkling, Price & Webb of Chicago since 1912, has retired from active field work but continues his association with agency as a broker to develop and service his own clientele.

Mr. Miller has traveled Illinois for Conkling, Price & Webb for 24 years and has been in the casualty business about 36 years. He is one of the best known field men in the business and a recognized authority on workmen's compensation of which he has made an exhaustive study. He was born at Polo, Ill., Sept. 14, 1882, his ancestry being English, Scotch-Irish and German, his father being a minister and lecturer.

When he was 6 years of age the family moved to Chicago where he has resided ever since. At the age of 18 he started with the London Guarantee home office as office boy, telephone operator and mailing clerk. In the succeeding ten years he advanced through the statistical and legal departments to assistant manager of the payroll auditing department.

After an interim of ill-health in 1910, when he toured overseas with tourist parties as secretary to the conductor, he became special agent in Indiana in 1911 and superintendent liability department, at the home office of the Prudential Casualty & Surety of Indianapolis. He went with Conkling, Price & Webb May 1, 1912, as field man in Illinois, Indiana and Missouri.

### With Y. M. C. A. During War

After war service with the navy Y. M. C. A., serving for eight months on the headquarters staff at Great Lakes naval training station, he returned to Conkling, Price & Webb in March, 1919, as superintendent of agents and was made a member of the firm. He built up a strong, loyal agency force. In later years he assisted Messrs. Conkling and Price with some of their larger risks.

Mr. Miller plans to take an extended vacation this summer at his summer home in Onkama, Mich. He is a member of the board of the Illinois Association of Insurance Agents, chairman of the casualty and surety committee and member of the automobile committee. He also was a director of the Chicago Insurance Agents Association.

He formerly lived for many years in Oak Park, Ill., but now resides in River Forest, Ill., where he is active in community affairs. He was for seven years president of the Oak Park Y. M. C. A. He has been married 31 years.

Bert Chillman of the Michigan department's examining force is gravely ill of pneumonia. He is confined to a Detroit hospital, having been taken ill while at work on an examination there.

## Insurance Buyers Assn. of 89 Irks Agent Futz

EIGHTY-NINE, PA., May 27. Joe Futz, head of the Futz insurance agency here, is very incensed because some of the residents have formed the Insurance Buyers Association, Inc., of Eighty-nine. Joe says the whole thing was got up by Emil Wetz, proprietor of the general store, on account Mrs. Futz bought a kitchen stove from Sears & Roebuck instead of from Emil and Emil is trying to get the local people to buy their insurance from a big New York broker, whom Joe characterizes as a "dirty poacher."

## Aetna Casualty Issues New Safety Bulletins

As a further contribution to the cause of highway safety the Aetna Casualty & Surety has published a series of five miniature folders. They are most attractive in format, paper and color and the subject matter is briefly but convincingly written. The titles are "The Real Test of Driving Ability," "Must It Be More Drastic Enforcement?" "Automobiles Go Where They Are Driven," "Just One Rule for Safe Driving—THINK" and "You Can Reduce This Motoring Tax."

These folders, which were designed primarily for distribution by Aetna Casualty representatives, are also available to local safety councils and civic organizations for use at special meetings held in the interest of automobile accident prevention.

## New Hazards of Touring in Mexico Being Studied

NEW YORK, May 27.—Anticipating that many motorists visiting the Texas centenary exposition at Dallas during the summer will extend their trip to Mexico City, now that the highway from Laredo to Mexico City is passable, casualty underwriters are considering the increased public liability and property damage hazards. In recent years Mexican courts have shown a pronounced disposition to hold motorists to strict accountability and have been generous in verdicts. In traveling over the new international highway, extreme care must be exercised, motorists assert, to guard against natives trudging along the road, being utterly oblivious to traffic, feeling they have the right of way and disposed to assert it. Also rackets are being perpetrated. A party of natives in an old car will crash into the auto of a visitor from the United States and then will demand damages in a very noisy and sometimes menacing fashion. The American visitor may be put on the defensive and have a hard time getting justice in the local courts.

The Mexican government is making a strong tourist appeal, and touring into Mexico is sure to increase with the building of new roadways and the creation of modern hotel accommodations. Casualty underwriters are giving the situation attention, although as yet they have reached no conclusions.

### Arkansas License Refused

LITTLE ROCK, ARK., May 27.—Lloyds America, San Antonio, Tex., cannot be licensed in Arkansas because the minimum capital required has not been paid in, Attorney General Bailey holds in an opinion to Commission Gentry.

The Arkansas law stipulates that companies granted license must have a minimum capital of \$100,000, of which \$50,000 must be paid in at the time the application is filed.

## Plate Glass Situation Now Causing Companies Concern

### BREAKAGE REPORTS INCREASE

Higher Replacement and Labor Costs Will Probably Affect Loss Experience for Year

With the recent raise in prices of plate glass throughout the country, which is the fourth increase within the past year or two, plate glass managers are showing some concern over future experience in the line. Glass and labor costs are now about 50 percent greater than a year ago and as some companies, particularly in the Chicago area, are getting about 50 percent more breakage reports than last year the higher replacement costs will probably affect loss experience for the year.

A considerable increase in malicious breakage in Cook county is reported by some companies during the past two months. A similar experience was had during 1932 and 1933, chiefly attributed to riots and economic disturbances in Chicago at the height of the depression. The percentage of malicious breakage has always been relatively high in neighborhoods of colored and foreign population, but the recent pickup has been more general. With this exception, losses are at about normal and it is felt by most managers that if the malicious breakings decrease they can get by under present rates without showing too great reflection in loss ratios.

### Subject of Controversy

The plate glass situation, however, which has presented difficult problems for most bureau companies for many years, is still the subject of much controversy. It is felt that if present plate glass prices prevail in the future, or if other increases are made, bureau companies will have considerable difficulty in showing a profit under present rates. Some managers feel that if the situation continues as it is, rates will have to be raised or some other measures taken. While some bureau companies have shown increased volume in their plate glass departments the past year or two, most of them have not done so to any great extent and others have lost ground. In 1935 in Cook county, bureau companies wrote \$783,596 in premiums, with losses \$299,050, or a loss ratio of 38 percent. Many companies, however, are on the ragged edge so far as profits are concerned and some will definitely go into the red if present losses continue.

### Views on 50-50 Policy

Although at the recent meeting in New York member companies of the National Bureau of Casualty & Surety Underwriters turned down a proposal to write the 50-50 policy in the Cook county territory, the subject still raises many differences of opinion.

Some bureau companies are writing the policy now, however, and it is felt that if the present situation continues others will have to go into it simply to meet competition. Some companies have had to begin writing the plan to protect their agencies into which the percentage plan has been making inroads. Managers feel they are not making sufficient progress in view of the marked pickup in some other casualty lines, and they point out that many companies writing the 50-50 policy have been showing steady gains in premium income. They feel that if it can be profitably written by non-bureau companies, it can also be done by bureau carriers.

### Experience Is Better

One company writing both contracts reports that its experience on the 50-50 plan is from 5 to 6 percent better than on the standard policy. Although the percentage plan was given a trial by some companies in New York a few years ago, resulting in poor experience, some feel the contract has not been

(CONTINUED ON LAST PAGE)



## WITHOUT BENEFIT OF PUBLICITY

**E**MBEZZLEMENTS usually don't get much publicity. Many are hushed up. When money or securities are stolen, there are no sirens, clanging apparatus, or newspaper stories of heroism.

Everybody hears about a fire, but few realize the disastrous proportions which embezzling has assumed. It is up to the agent or broker to show employers the hazards of employee dishonesty. Ideas and complete information to help you sell Mercantile Fidelity are available at your nearest U. S. F. & G. office.

### U.S.F.&G.

UNITED STATES FIDELITY & GUARANTY COMPANY

with which is affiliated

### F.&G. FIRE

FIDELITY & GUARANTY FIRE CORPORATION

Home Offices: BALTIMORE



Originators of the Slogan:

*"Consult Your Agent or Broker as You Would Your Doctor or Lawyer"*

## Need Hold Harmless Cover

Demand for Protection Grows Rapidly Among Manufacturers, Merchandisers, Since Indefinite Limit Was Changed to \$25,000 Per Assured

NEW YORK, May 27.—Hold harmless indemnity, about which much is being heard in underwriting, manufacturing and merchandising circles, and the demand for which, it is predicted, will greatly increase before long, is really an extension of product liability insurance which casualty companies have been writing for years.

This latter coverage dates back to 1900, when a leading manufacturer of mineral waters here, alarmed at the number of claims against him for injuries allegedly suffered through explosion of the bottles, sought insurance coverage. The proposal was a new one to company officials, who named a rate predicated on total number of bottles sold by the manufacturer annually.

The idea later extended to manufacturers of food stuffs generally, sale of the coverage being considerably restricted through lack of maximum liability limits in the contracts. Companies hesitated to grant protection with-

out knowing what their ultimate liability might be. This handicap was overcome when the carriers agreed about a year ago upon a maximum liability of \$25,000 for any one assured, which greatly stimulated sale of the coverage.

The Woolworth company is said to have originated the "hold harmless" pledge, insisting that this agreement be given it by all persons from whom it bought goods. In early days casualty companies were inclined to permit assured to settle small damage claims, usually from \$5 to \$10 each, thereby avoiding undesirable publicity for assured which might arise with denial of liability. It soon developed, however, that while individual claims were relatively small, the total in a year was substantial and supplied a factor to be reckoned with in rate-making.

While the great majority of product claims made upon department stores were for injuries allegedly caused by cosmetics—usually of cheaper grades—

others were for foreign substances allegedly found in liquids or edibles. Another frequent source of threatened damage action was for poisoning said to have been caused by dyes in clothing, socks, stockings, scarfs and other articles of apparel, especially those worn next the body.

Hotels, restaurants, bakeries and manufacturers of food products generally, suffered in growing degree for claims for injuries sustained by customers. While in many cases claims were large, it was not so much amount involved that distressed the proprietors as it was that the publicity might injure reputation. This brought the call for product liability, and later for "hold harmless" indemnity.

### Standard Form Needed

Should a manufacturer decline to agree to grant the jobber or retailer to whom he sells goods a pledge holding either or both harmless in event claims for reputedly impure goods should be lodged against him, he would soon lose trade to accommodating rivals, recognition of which is accountable for the growing call for "hold harmless" indemnity. Unfortunately, many large manufacturers prepared such agreements, without consulting their insurance carriers or brokers as to the form, and may find themselves embarrassed when at-

tempting to collect from their companies.

A leading brokerage house of this city, which has a large manufacturing clientele, warned its assured not to sign any hold-harmless instrument without consulting it, making sure thereby that the pledge would be in conformity with provisions of the insurance coverage. Thus far no standard form of liability and insurance provisions for hold harmless indemnity exists. Each risk submitted is considered on its merits and rated accordingly.

### Must Conform to Insurance

Obviously the form of agreement granted by a wholesaler to his customers must conform to his insurance contract, and be subject to its provisions. An effort to effect standardization is being made, and in due course likely will be effected.

It will be readily appreciated that the hazard of granting indemnity to a manufacturer of wide experience and established reputation is far less than that offered by a rival of limited knowledge, restricted financial resources and manufacturing equipment, and a sharp line of demarcation between the two types of risk is and should be drawn by underwriters until experience of the latter is sufficient to warrant improved rating.

## PERSONALS

R. S. Picton of the Toledo local agency of Falconer, Dunbar & Picton has arrived in London where he will confer with a number of English authorities on occupational diseases. This firm does considerable casualty business and is district manager of the Aetna Casualty.

A. R. Goodale, assistant secretary casualty department of the Travelers, has been making an extended survey of the Pacific Coast field, accompanied by A. E. Lucy, superintendent of casualty underwriting, San Francisco.

Patrick J. Burke, vice-president Indemnity of North America, in charge of claims at the home office, has just concluded a Pacific Coast trip and returned to the home office.

John W. Gunn, sales manager Employers Mutual Casualty, Des Moines, was married there to Madge Prouty Johnson. He is a son of John A. Gunn, president of the Employers Mutual.

The National Surety is issuing a new series of booklets entitled, "William Street, the Insurance Center of the World."

The first edition tells of the beginning of William street in New York City. Historical views are shown together with some of the modern cuts. Johnson & Higgins are featured as a pioneer firm that started in business in 1845 under the name of Jones & Johnson as average adjusters of claims under marine policies. The firm took its present name in 1854. W. H. La-Boyteaux is president and L. A. Wallace is managing director of the incorporated firm.

Then some of the other personalities of William street are given. Eugene L. Meanley is in charge of the surety bond department of R. C. Rathbone & Son, brokers. He has been connected with a number of enterprises, his first insurance experience being with the head office of the Maryland Casualty in the auditor's division. Another man who is featured is John C. Griffin, Jr., who is executive vice-president of the insurance brokerage house of Schiff, Terhune & Co. He started with the New York City insurance firm of J. G. Hilliard. Another personality is Harry Maas of Sobel & Co., another brokerage house. He is now in his 30th year with his firm.

## It Pays-Two Ways

Activity in street and highway safety work not only benefits your townspeople but brings gratitude and good-will toward the sponsor. Be a leader in safety work for your community.



## BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

Casualty Affiliate of The American Group



## CHANGES IN CASUALTY FIELD

### Simpson Named State Agent

**Will Cover Illinois Field for Conkling, Price & Webb, Succeeding Ralph W. Miller**

Conkling, Price & Webb of Chicago has appointed Kyle Simpson as Illinois state agent, effective June 1. He succeeds Ralph W. Miller, who recently resigned after being connected with the office since 1912 in field work.

Mr. Simpson for two years has been connected with the inland marine department of the Phoenix Assurance group in the Chicago office associated with J. E. Mattimore, state agent, from which position he resigns to assume his new post. Previously for five years Mr. Simpson was connected with the National Bureau of Casualty & Surety Underwriters, part of the time in Indiana and later in Iowa. He was then appointed branch manager of the London Guarantee in Indianapolis, and after a time traveled Indiana, a part of Iowa and Michigan for that company, and subsequently traveled Illinois for the Phoenix Indemnity.

### D. K. Kyler With F. & C.

D. K. Kyler, who has been manager of the Texas branch office of the Standard Surety & Casualty for the past five years, has joined the production and underwriting staff of the southwestern department of the Fidelity & Casualty. He will be responsible to C. C. Gorsuch, resident manager. The Standard Surety has closed its Texas branch and will supervise its Texas business from the home office. Before going with the Standard Surety, Mr. Kyler was manager of the casualty department of the Floyd West & Co. general agency of Dallas. Previously he had had about eight years of local and general agency experience.

### I. L. Stone in New Position

I. L. Stone has been appointed superintendent of the safety engineering department at the head office of the Builders & Manufacturers Mutual Casualty of Chicago. He was formerly supervising engineer in the western district for the Globe Indemnity at Chicago and later was with the Royal Indemnity and Eagle Indemnity.

### Eagle Seattle Manager

Arthur Eagle has been appointed branch manager of the American Bonding at Seattle. He was formerly assistant manager there. Prior to his service in Seattle he was with the San Francisco branch office of the Fidelity & Deposit.

### Returns to Home Office

E. S. Cunningham, formerly in the home office of the Standard Accident and for the past year in charge of the bond department Chicago branch, on June 1 will return to the home office to become connected with the bond department. He has specialized in probate estate work in Chicago.

Walter Klein, who has been with the Chicago branch two years, will be promoted to assistant underwriter handling accident and health, burglary, boiler and plate glass.

### Resigns as Assistant Manager

Frank A. Rowley, assistant manager Royal Indemnity, Los Angeles, has resigned to join the James S. Jennings brokerage firm in Los Angeles, representing the Royal group. Before going

with the Royal Indemnity, of which he has been assistant manager since 1931, he was with the Commercial Casualty in Los Angeles.

### McDonough Omaha Manager

Alexander McDonough, who has been with the Travelers since 1919, has been named manager of casualty lines at Omaha, succeeding Robert H. Hawley,

who has been promoted to manager in Kansas City.

Mr. McDonough served as special agent, field assistant in Grand Rapids and Louisville, and as assistant manager in Louisville and Syracuse.

### Tucker Succeeds Morris

Spencer Morris has resigned as special agent in Los Angeles of the Globe Indemnity to become manager of the insurance department of Buddington, Ogilvy & Gilbert, general agents at Santa Barbara of the Globe and Hartford companies. He is succeeded by J.

E. Tucker, formerly with the U. S. Fidelity & Guaranty in Los Angeles.

### N. Y. Glass Bill Signed

ALBANY, May 27.—Governor Lehman has approved the bill which permits casualty companies to insure in the plate glass policy damage to the frame resulting from breakage of the insured glass.

A long service gold watch fob has been presented M. D. Malumphy of Ansonia, Conn., in recognition of his having completed 25 years with the Fidelity & Casualty.



## REQUIREMENTS!

The prime agency requirements of financial stability, modern coverages, intelligent underwriting and efficient claim service, animated by close Home Office relationship, are well known assets of Central Surety.

Inquiries from progressive agents are invited.

Capital .....	\$1,000,000.00
Surplus to Policyholders .....	1,908,773.35
Assets .....	5,025,316.97
As at December 31st, 1935	

**CENTRAL SURETY  
AND INSURANCE  
CORPORATION**

KANSAS CITY, MO.

DENNIS HUDSON, President

## NEWS OF THE COMPANIES

### Staff Promotions Are Made

#### Lumbermen's Mutual Casualty Has Announced a Number of Changes in Its Official Personnel

Promotions in the official staff of the Lumbermen's Mutual Casualty, Chicago, are announced. H. L. Bloom, manager of the automobile claim department at Chicago; A. J. Mayer, supervisor of claims for the eastern department at Philadelphia, and J. F. Scannel, manager of the legal department at Boston, are advanced from assistant secretaries to third vice-presidents. W. J. B. Janisch, manager of the associated mutuals department, Chicago, and formerly assistant vice-president, is named a third vice-president.

T. H. Gillespie, assistant vice-president and comptroller, and J. A. Mills, assistant secretary and actuary, are elected secretaries. G. K. Haycock, general auditor, is elected assistant treasurer and N. C. Flanagan, M. B. Weber and J. F. Leary are made assist-

ant secretaries. Mr. Flanagan is manager of the business extension department, Mr. Weber heads the compensation underwriting department, and Mr. Leary is in charge of underwriting for the New England department as assistant to W. D. Riddell, vice-president and manager at the Boston office.

Will A. Cavin, president of the Cavin Lumber Company of Sturgis, Mich., is elected a member of the Lumbermen's advisory board and Kenneth G. Curtis, president of Curtis Lighting, Chicago, is named a member of the Illinois manufacturers division board.

### Deposit American Credit Stock

ST. LOUIS, May 27.—It is understood that upwards of 25,000 of the outstanding 50,000 shares of the American Credit Indemnity have been deposited by stockholders who favor the proposed share-for-share plan through which the Commercial Credit Company will take over control of the American Credit. In announcing its offer several weeks ago the Commercial Credit management stipulated that 40,000 shares of Amer-

ican Credit stock would have to join the plan to make it effective.

The American Credit Indemnity has declared a dividend of 33½ cents per share to be paid June 30 to stockholders of record on June 10. It will bring the company's dividend rates to coincide with those of the Commercial Credit.

### Standard Accident First Quarter

The Standard Accident's report for the first quarter operations shows net premiums written during the three months increased 8.4 percent over last year.

Total assets were \$18,929,181 March 31, \$509,683 more than for Dec. 31, 1935. Of this increase, \$438,879 was in cash and invested assets.

Surplus to policyholders increased to \$3,026,157. This does not include special reserves of \$950,000, which remain unchanged from the year-end statement.

### Attacks Union Indemnity Plan

Attorney-general O'Connor of Louisiana has filed a bill in opposition to the proposed distribution of \$513,371 by the receivers of the Union Indemnity. He contends that payment of \$48,774 additional to the receivers and their attorneys is excessive. He attacked the proposed payment of \$12,193 each to C. W. Beckner and S. S. Levy, receivers, and to J. C. Henriques and the law firm of Rosen, Kammer, Wolff & Farrar, attorneys for the receivers. The court has extended to May 29 the date within which briefs may be filed.

The attorney-general also claims that the state is a creditor of the Union

Indemnity to the extent of \$393,208 but that its claims have not been placed in the account. He points out that the receivers have been paid about \$34,000 and the attorneys about \$35,000 and that further payments would be unjust.

The third receivers' account fixes the actual assets of the Union Indemnity at \$536,263.

### Employers Liability to Celebrate

Sir Courtauld Thomson, chairman Employers Liability, Viscount Knollys, managing director, and E. F. Lewis, secretary, of London, as well as representatives of several state insurance departments, will be special guests at a gathering of representatives of the Employers Liability, American Employers and Employers Fire at Swampscott, Mass., June 4. The dinner is in celebration of the 50th anniversary of the entrance of the company into the United States. Included also will be the leading men in all divisions of the parent company and subsidiaries. The program will be under the direction of E. C. Stone, United States manager and attorney.

### Charge Liquidation Held Up

The district court at Davenport, Ia., has issued an order requiring the law firm of Parrish, Guthrie, Watters & Colfesh, Des Moines, to show why it should not desist from tying up the liquidation of the Federal Surety of Davenport through a lien for attorneys fees. The order is returnable June 10.

The Western Casualty & Surety of Fort Scott, Kan., has reentered Mississippi after being out since 1932.

## "Not One Risk have we lost to another company..."

Thus did an American Motorists agent in Vermont describe his experience selling AMICO's popular policy. An AMICO franchise in your territory is the key to similar competition-proof business — write today for complete details.



## AMERICAN MOTORISTS INSURANCE COMPANY

JAMES S. KEMPER, President

Home Office . . . Chicago, U. S. A.

LARGEST ILLINOIS STOCK CASUALTY COMPANY

## CASUALTY ASSOCIATION NEWS

### Milwaukee Group in Meeting

#### Board Takes Part in Premiere of W. U. A. Playlet; Notables in Attendance

MILWAUKEE, May 27.—The Milwaukee Casualty & Surety Underwriters Board witnessed the premiere performance of "Logic in Action," a pro-stock insurance playlet prepared by the public relations committee of the Western Underwriters Association, the dramatization being a feature of the annual meeting of the casualty board.

The cast included R. L. Nicholson, Wisconsin state agent Michigan F. & M.; Freeman Guerin of A. L. Groote-maat & Sons; Robert Elsner of R. R. Elsner Co., and T. Z. Clayton of Geo. H. Russell & Co. Ralph Martin, Kremers-Martin Agency was stage manager. All had previous experience in theatrical and professional appearances.

#### Some Distinguished Visitors

F. J. Lewis, of George H. Russell & Co., president of the casualty board, presided. Among the out-of-town insurance executives attending were W. P. Robertson, Chicago, general manager western department, North America; Hugh Bird, Beaver Dam, Wis., president Wisconsin Association of Insurance Agents; H. C. Wilbur, Chicago insurance consultant; Wallace Rogers, W. U. A. A. F. Powrie, western manager Fire Association and president W. U. A., was prevented by another engagement from attending.

George Goetz, of Hoff & Goetz, manager United States Fidelity & Guaranty in Milwaukee, spoke on automobile insurance, and L. C. Hilgemann of the Leedom, O'Connor & Noyes agency, discussed comprehensive coverage and personal property floaters.

The annual business meeting was held, reports being made by President Lewis; Secretary-treasurer C. A. Henkel, of Soevig & Hickox, and J. G. Grundle, executive secretary. A talk on organization and a plea to members to push membership was made

by Vice-president Frederick Kasten, of Blatz-Kasten & Co. For the expired three-year terms of three directors, the board reelected Messrs. Lewis, Kasten and Henkel. The board was host at a buffet lunch.

### Hear Carbon Monoxide Talk

NEWARK, May 27.—Only one out of every ten automobile accidents is caused by faulty mechanism, while the other nine are due to the carelessness of the operator and being overcome by carbon monoxide, F. M. Van Deventer of the Cities Service Co. told the members of the Casualty Underwriters Association of New Jersey at its luncheon meeting.

In speaking on carbon monoxide poisoning, he said there is greater danger in moving vehicles than those which are standing still, providing the cars which are standing still do not have their motors running.

President E. C. Graff announced that four new members had been admitted to the association: London Guarantee & Accident, Century Indemnity, Central Surety and Associated Indemnity.

### Engineers Plan June Meet

June 5 has been tentatively selected for the dinner meeting of the Casualty Engineers Association of Chicago. Efforts are being made to secure a judge of the city traffic court to speak on the accident prevention problem. Plans will also be discussed for the annual golf tournament. The June meeting will be the last on the program until September or October.

### Discusses Statement Analysis

PORTLAND, ORE., May 27.—"Analyzing of Financial Statements of Insurance Companies" was discussed by L. M. Koon in an address before the Oregon Casualty Association.

### Credit Men's Meeting

The insurance group of the National Association of Credit Men will hold its annual convention at Richmond, Va., June 11.



## WORKMEN'S COMPENSATION

### Announce New Rates for N. Y.

**Reductions in Tariff Will Be Introduced July 1 on Most of the Compensation Classifications**

The compensation rate level in New York state for manufacturing industries will be reduced 5.1 percent, for contracting industries 1.7 percent, for federal projects 2 percent and for all other classifications it will be 1.2 percent higher on July 1. This information is contained in a circular letter issued by the compensation insurance rating board. There will be no revision in rates for vessels, dredging and marine wrecking classifications. Present rules and rates for classifications subject to specific dust hazards will continue in force pending the action taken by Governor Lehman on the silicosis bill now before him.

The revision produced lower rates for 473 classifications, higher schedules for 147 and there is no change in 23 divisions. Loss and expense constants are \$42 for manufacturing, \$41 for contracting, \$50 for federal and \$18 for all other.

#### N. Y. Rules Are Set Out

Following the recommendations of the New York department in its recent examination, there is a complete set of New York rules and procedure that will be printed on paper of a distinctive color.

In explanation of the rate level, General Manager L. S. Senior of the board told Superintendent Pink that the loss ratio data experience was used to project the experience of policy year 1934, reported at the end of 24 months to a 60-month development basis. The loss ratio for policy year 1934 developed in this manner is 59.21 percent, which, converted to the level of present rates, becomes 52.75 percent.

There was an underwriting loss of \$2,379,697 on the basis of calendar year results. This, combined with the previously accumulated deficit, brought the deficit to \$10,015,739. In view of this deficit, the retention of the contingency loading of five points seems warranted, according to Mr. Senior.

Relating the 52.75 percent loss ratio with the permissible ratio of 55 percent produces an indicated rate level change of .959 or a reduction of 4.1 percent.

Then the effect of law amendment must be taken into consideration. Inasmuch as the department approved the factor of 1.012 for the guaranty fund, and the other amendments excluding occupational disease are calculated to produce an increase of 1.6 percent, the total effect of law amendments applicable to policy year 1934 is an increase of 2.8 percent. Applying the factor of 1.028 to the above indicated rate level change of .959 produces an average rate level change of .986.

#### Fight Silicosis Surcharge

SAN FRANCISCO, May 27.—That at least one classification of industry in California will not accept the recent silicosis surcharge approved by Commissioner Carpenter without a legal battle, is indicated in an action filed by the Emerson Mining Company, operating a quartz mine near Victorville, Cal. Applying for a writ of certiorari in the supreme court of California, the mining company alleges that in fixing the surcharge premium rate, Commissioner Carpenter acted without any evidence of silicosis having affected anyone employed in a California quartz mine, either above or below ground; further alleging that it is illegal to fix such rates unless there is proof that the silicosis hazard exists in any specific industry as it is conducted in California and that at the recent hearings no such evidence was at hand.

### Watch Florida Experience

**Compensation Losses Are Very High But Companies Are Waiting for Results of Full Year**

NEW YORK, May 27.—That non-stock casualty companies are competing aggressively for compensation risks in Florida, as asserted by local agents of the state, does not surprise executives, who point out that this competition developed as soon as the Florida compensation act became operative July 1, 1935. Prior thereto employees had recourse only under the employers liability act, and the mutuals wrote comparatively little business in the state.

With the passage of the compensation law the carriers, stock and non-stock, formed the Florida Compensation Rating Bureau for administering rates and rules prepared by the National Council on Compensation Insurance. Compensation rates for Florida, in the absence of any experience, were pitched on those in force in adjoining states, particularly

on the Louisiana figures. The rate adequacy will not be known, even measurably, until a full policy year's experience is obtained. From figures compiled a short time ago, however, the loss record was shown to be running very high. The industries in Florida, in addition to the season hotels and the cultivation, picking and shipping of citrus fruits, are mainly phosphate manufacturing and lumbering. The annual premiums from compensation in the state this year it is estimated will be approximately \$1,000,000.

### Wisconsin Commission Asks Outside Claim Settlement

Settlement of compensation claims without resort to the Wisconsin industrial commission is urged by that commission in a brochure issued recently. Evidently pressure will be applied on the companies to enforce this suggestion, as it is indicated that there will be discrimination against companies that have too many cases coming before the commission. It is announced that a record of claims reported for each company will be kept with a running score on the percentage of claims contested.

In one respect this is regarded by insurance carriers as a favorable turn, be-

cause too often the inclination of industrial commissions is to reach out for as many claims as possible. On the other hand, the intimation that a case may be judged on anything besides the facts in that case is unwelcome.

Insurance men who express approval of the Wisconsin stand say that the carrier knows how much it is liable for just as well as the commission does, and that attempts to hold down claims below the legal benefits are out of order.

### To Get Attitude of Buyers

Members of the executive committee of the Massachusetts Agents Association have decided to recommend that members submit the idea of retrospective rating to each of the risks in the state that have been developing a compensation premium of \$5,000 or more. The agents are eager to get the reaction of the buyers as quickly as possible to the new rating plan which has been made permissive in the state by Commissioner DeCelles. The response will be reported to Mr. DeCelles to enable him to determine whether the trial period for the plan, which has been fixed at one year, should be extended. The executive committee also recommended that the membership of the association should be canvassed periodically to determine how the plan is working.

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## ACCIDENT AND HEALTH FIELD

### Health Cover Compulsory in British Columbia Bill

VICTORIA, B. C., May 27.—British Columbia's compulsory health insurance measure, passed recently by the legislature, has become law, and an administrative commission, supplemented by a technical advisory board including the provincial health officer, is being set up. The government contribution is expected to be about \$50,000 annually.

The proposal is the first plan of this type ever attempted in Canada or the United States. It is to become effective Jan. 1, 1937.

The bill applies to every wage earner except farm workers receiving less than \$1,800 annually. Contributions are at the rate of 2 percent of wages of employees, but not more than 70 cents a week, and 1 percent paid by the employer. The plan is to be administered by a commission of one full time chairman and four part time members, together with a technical advisory council of six.

### Illinois Mutual's Convention

Agents of the Illinois Mutual Casualty from five states attended the annual agency convention held at Peoria, Ill. President E. A. McCord presided at the first day's session and spoke the second day on "The Application and Selection of Risks as They Affect Claims and Underwriting." Vice-president C. C. Inman presided the second day and spoke at that session on "Building a Future Business." Miss G. P. Edwards, secretary-treasurer, also spoke for the home office. Round table discussions, in which general agents and leading producers participated, were held on "The Importance of Accident and Health Insurance," "Conservation of Renewals," and "Are the App-a-Week Clubs Worth While?"

### License Mandamus Issued

OKLAHOMA CITY, May 27.—A writ of mandamus has been granted requiring the state insurance board to license the Hospital Mutual of Oklahoma City. The board had refused to relicense the company, claiming that it failed to meet the legal requirements. Judge Giddings ruled that the company is solvent and had met such requirements. The state will appeal the case.

### Warning on "Free Insurance"

MONTGOMERY, ALA., May 27.—Superintendent Julian has issued a warning against a Kansas City mail order company which is offering "free health insurance" for a limited time to persons who send in the names of 10 prospects. Mr. Julian declared the insurance was so small as to be of little

benefit and that persons sending in names as requested violate the law.

"The laws of Alabama distinctly point out that any person who does any act or thing in the matter of consummating an insurance contract is an agent," said Superintendent Julian. "The insurance company referred to not being licensed, the penalty for acting as an agent is \$726 and imprisonment, one or both, at the discretion of the court."

### Honorary Members Honored

LOS ANGELES, May 27.—The Accident & Health Managers Club of Los Angeles at its May meeting honored these honorary members of the club: H. A. Campion, assistant superintendent of schools; I. C. Cunningham, Occidental Life; Leland Mann, Aetna Life; G. O. Gray, Los Angeles board of education; H. G. Johansing, Cass & Johansing, and W. M. Hammond, general agent Aetna Life. Harry Burford, Continental Assurance, was chairman.

### New Supervisors Named

C. H. Taylor, formerly general agent of the Massachusetts Protective in the St. Paul and Minneapolis district, has joined the Income Guaranty of South Bend, Ind., as agency supervisor for southern Indiana, with headquarters at Indianapolis.

W. E. Bonsall, formerly general agent of the Massachusetts Protective, and a leader with the Craftsman in Iowa and Nebraska, has been appointed agency supervisor for northern Indiana, with headquarters at Fort Wayne.

### Travelers Casualty Active

The Travelers Casualty of Chicago is making an active canvass for business through mail and by salesmen in conjunction with the Lafayette Mutual Benefit Association through the Midland Underwriters at 176 West Adams street in that city. L. O. Napier is president and M. A. Napier, secretary. The home office was originally located at Springfield but during the latter part of 1934 Chicago people secured control and moved its executive office to their city. It operates under the assessment laws. It has assets \$6,297, liabilities \$595. Its income last year was \$19,957 and the disbursements \$19,291. It received in premiums in Illinois last year \$13,567 and paid claims \$393.

Although the company writes many forms of accident and health, its most popular contract is a \$1-per-month policy. This policy provides \$1,000 principal sum for accidental death; \$20 per week sickness disability when confinement is at home, and \$30 per week hospital disability. Limit on disability is four weeks the first year, eight weeks the second year and 12 the third, with a total maximum of 12.

### Indiana Insurance Day Is Observed at Indianapolis

#### HENSHAW HEADS FEDERATION

#### H. A. Luckey Awarded Chandler Trophy for Service to the Business Last Year

Insurance is now confronted with more need than ever before for the inclusive cooperation of insurance interests represented in the Insurance Federation, declared H. A. Luckey, manager Life of Virginia at Indianapolis, president Insurance Federation of Indiana, who presided at the morning session of the Indiana Insurance Day in Indianapolis. There are elements at work to undermine the business of insurance in practically all its branches that can only be successfully combated by a united front, he said.

He declared, to his knowledge, over \$200,000 a year was saved to fire and life companies operating in Indiana, through successful opposition of a number of measures that were proposed in the legislature of 1935, during which he served as chairman legislative committee of the federation.

#### Officers Are Named

The federation elected the following officers: President, W. J. Henshaw, state agent St. Paul Fire & Marine, Indianapolis; vice-presidents, David P. Layton, manager, New Amsterdam Casualty, Indianapolis; Homer L. Rogers, manager Equitable Life of New York, Indianapolis; Russell T. Byers, vice-president American Central Life; Ralph G. Hastings, local agent, Washington; James Curtis, state agent Ohio Casualty, Indianapolis; Chris Zoercher, local agent, Tell City, and Ralph McReynolds, local agent Evansville. A. L. Riggsbee, manager insurance department, Fletcher Trust Company, Indianapolis, was named treasurer and Joseph G. Wood, attorney, Schortemeier, Eby & Wood, Indianapolis, secretary-counsel.

#### Unemployment Law Discussed

Joseph W. Hutchinson, assistant attorney general of Indiana, discussing the new unemployment compensation law, said that agents and solicitors on a commission basis are not contemplated as employees under the law but as individual contractors. Managers of branch and general agency offices on salaries are employees, he said. There have already been quite a number of rulings by the state commission which will administer the law and by the federal board but as yet there are no court rulings on any points of the law including its constitutionality.

Howard M. Starling, field representative Association of Casualty & Surety Executives, spoke on the present necessity for more perfect cooperation be-

tween companies and agents. He said that most of the proposed legislation inimical to insurance arose from misunderstanding of individuals, dissatisfaction of some policyholder or because of lack of complete understanding between companies and agents.

#### Secretary Wood Reports

Joseph G. Wood made his report as secretary-counsel, showing the disposition of finances of the organization during the past year. He said the time had come when membership should be stressed and a larger body of active supporting members should be sought.

Presiding as toastmaster at the banquet, Commissioner McClain paid tribute to Mr. Luckey, C. O. Bray and Mr. Wood as the three persons particularly deserving credit for leadership in securing passage of the state insurance code in the Indiana legislature last year. Five past presidents of the federation were present: Mr. Luckey, Mr. Bray, Ross E. Coffin, R. C. Griswold and Frank M. Chandler.

Mr. Chandler, "father" of "Indiana Insurance Day," presented the Chandler trophy, a large cup, to Mr. Luckey, signifying his selection as the individual who has done most for the betterment of the business in Indiana in the past year. This is the second time

## PERSONALS

G. D. Mead, vice-president Glens Falls Indemnity, accompanied by R. H. Griffith, vice-president and Pacific Coast manager, San Francisco, and R. L. Colomb, Pacific Coast surety manager, was in Los Angeles for a brief visit with J. S. Hurry, manager of the Los Angeles branch.

Peter Ralph Fahey, editor of the "Aetna-gram," and one of the cardinal figures in the Aetna Life and Aetna Casualty organization of Cleveland, was chosen a member of the county central committee in his district at the recent primaries. One of his associates on the committee will be Newton D. Baker, generally referred to as Cleveland's first citizen. Incidentally it may be of interest to know that Mr. Fahey introduced Mr. Baker to the first audience he ever addressed in Cleveland after he went there as a young attorney a number of years ago.

Mr. Fahey hit the "Americana" department of "American Mercury" in a recent issue on account of a letter he wrote to the Cleveland "Plain Dealer." Mr. Fahey was in London in 1909 and secured tickets to see Mlle. Genée, the dancer. He noticed a crowd watching a private box 25 feet from where he was sitting and there entered Queen Alexandra, wife of the then reigning monarch, King Edward VII, and the other her daughter-in-law, wife of the then Prince of Wales who ascended the throne as King George V.

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that the trophy has been presented to Mr. Luckey, breaking former precedents as no one before has repeated.

Advisory boards of the federation are: Fire: Roy P. Elder, special agent Fidelity-Phenix, Indianapolis; L. J. Fischer, state agent Home, Indianapolis; E. E. McLaren, state agent United States Fire, Indianapolis; C. O. Bray, state agent Hartford Fire, Indianapolis; T. R. Dungan, state agent Fidelity-Phenix, Indianapolis; Ross A. Moore, state agent Firemen's of Newark, Indianapolis; H. L. Barr, state agent Alliance, Indianapolis; M. O. Jones, state agent Fireman's Fund, Indianapolis.

Casualty: R. C. Griswold, manager Aetna Casualty, Indianapolis; D. P. Layton, resident manager New Amsterdam Casualty, Indianapolis; F. P. Davis, manager, Travelers Indemnity, Indianapolis; W. H. Stafford, Stone, Stafford & Stone, general agents Employers Liability, Indianapolis; D. R. Gallahue, president American States; Parke Cooling, Cooling-Grumme-Mumford, state agents Indiana, Indianapolis and W. E. Parrish, special agent Employers Liability, Indianapolis.

#### Board of Local Agents

Local agents: C. W. Owens, C. W. Owens agency, Farmiland; Omer O. Rhodes, manager Omer O. Rhodes agency, Terre Haute; J. W. Stickney, Stickney agency, Indianapolis; G. W. Fishing, George W. Fishing, Inc., Fort Wayne; G. B. Woodward, president G. B. Woodward Company, Bloomington; Howard Bruner, W. H. Bruner agency, South Bend; H. J. Gescheidler, manager insurance department, Hammond National Company, Hammond; H. J. Hadley, president, Hadley-Mahoney Company, Indianapolis and Leo R. Dunham, manager insurance department, Anderson Banking Company, Anderson.

Attorneys: C. F. Merrell, Slaymaker, Merrell & Locke, Indianapolis; E. Gallagher, American States; Burrell Wright, White, Wright & Boleman, Indianapolis, and R. M. Hennessey, Landers & Landers, Indianapolis.

## New Rating Plan Is Given Support

(CONTINUED FROM PAGE 20)

"7. The plan will provide a most effective incentive to employers to engage in accident prevention and safety work, which not only will reduce costs, insurance and otherwise, but also will improve general welfare of employees.

#### Computation of Premium

"8. In order to permit the complete reporting of incurred losses and a proper valuation thereof, the first computation of the retrospective premium will take place six months subsequent to termination of the policy period. Additional retrospective premium adjustments are provided for, at 12 month intervals, with losses valued as of 18 months and 30 months, respectively, subsequent to ter-

## Preside at A. & H. Conventions



DWIGHT MEAD



CLYDE W. YOUNG

Two of the major organizations in the accident and health field will hold their annual meetings in Chicago next week. Clyde W. Young, president Monarch Life, is president of the Health & Accident Underwriters Conference and will have charge of its meeting. Dwight Mead, Seattle, general agent Pacific Mutual Life, is president of the National Accident & Health Association, the field men's organization.

mination of the policy period. The respective valuations of the losses will coincide with those reported under the unit statistical plan.

"9. It is proposed the plan shall be applied on an interstate basis, subject to the provision that only the risk experience for a single policy period covered by the same carrier in states where the plan is in effect shall be combined. The interstate application will permit determination of the risk premium on a basis which is equitable to both employer and carrier. Bearing in mind the fundamental difference between retrospective and prospective premium determination, it is not inconsistent to propose interstate combination of risk experience retrospectively, even though such combination is not permitted for prospective rating purposes.

#### Optional Feature of Plan

"10. The optional feature of the plan is consistent with past practice followed in compensation and other lines where the insurer has the privilege of selecting from equally sound forms of coverage that one which will best fit his own requirements. Ex-medical compensation coverage and deductible compensation and liability coverages have been recognized as legitimate optional forms of coverage.

"11. The plan provides a legitimate means of bridging the gap between self-insurance and insurance under the customary prospective guaranteed cost form

of coverage. Furthermore, the plan will facilitate underwriting of certain hazardous types of risks which are usually considered undesirable subjects for insurance under the prospective guaranteed cost form of coverage.

"12. In the event the plan produces a premium off-balance due to the loss of experience of the risks rated thereunder, it is proposed that any such off-balance shall not operate to penalize risks which are not subject to the plan.

"13. The application will be subject to strict regulation by appropriate rating organizations, both as respects qualification of risks and determination of risk premium. With such control there need be no fear of abusive practices resulting from its application."

Officials of non-stock carriers at the same time made their position in the matter clear through this explanation: "The non-stock members of the rates

committee have refrained from voting on this resolution because they cannot support the program as it is now constituted. They appreciate that any further insistence upon a joint attempt by stock and non-stock carriers to develop a plan which will eliminate the weaknesses of the plan under consideration will result in accusation that non-stock carriers are attempting unreasonably to delay action. The non-stock carriers believe that a sound program can be developed within a reasonable time which will make available to a much larger number of employers the benefits imputed to the proposed retrospective rating plan without imposing its discriminatory and unsound features. In view of the nature of the proposed plan and the manner in which it has been presented, non-stock carriers cannot accept any responsibility for it; and although they have refrained from voting on the plan they are necessarily obligated to make certain that the plan is thoroughly understood by the supervisory authorities and by the public."

## Tire Purchasers Protected

Interest is taken in the announcement by Sears, Roebuck & Co., Chicago, that it had secured a policy from London Lloyds guaranteeing purchasers of automobile tires sold by the firm that they would be indemnified in case of accident caused by a blowout or collapse of the tire within a year from date of sale. In case of death by such an accident the benefit would be \$1,000 and for various dismemberments and loss of sight the holder would be indemnified ranging from \$500 to \$1,000. The premium undoubtedly is quite low as an accident of this kind would be rather remote.

## Minnesota Federation Plans

MINNEAPOLIS, May 27.—Advance reservations point to the largest annual meeting here June 9 the Insurance Federation of Minnesota ever has held. Clyde B. Helm, secretary, who has just returned from 3,700 mile motor trip through the east, says he looks for an attendance of close to 500. J. T. Hutchinson, secretary Insurance Federation of America, has advised Mr. Helm that he expects to be present. Jesse S. Phillips, chairman of the board of the Great American Indemnity and former New York commissioner, will be the luncheon speaker.

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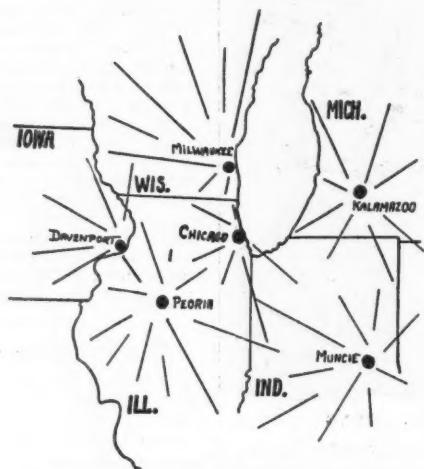
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## FIDELITY AND SURETY NEWS

### Name Bond Week Committee

**Lewis Appoints Those Who Will Aid in Making a Success of Project to Boost Suretyship**

NEW YORK, May 27.—As chairman of the recently formed New York fidelity bond protection committee sponsoring a special bond week this fall, when the advantages of fidelity bond coverages will be intensively advertised, M. W. Lewis, assistant manager Towner Rating Bureau, has appointed several committees as follows:

Arrangements: W. H. Estwick, chairman, J. R. Wells, H. A. Kearney, C. E. Bates, T. P. Murphy, R. J. Hill, Jr.

Advertising: W. H. Duff, chairman, B. G. D. Blue, William Martin, J. J. Harkins.

Brokers Activities: M. L. Jenks, chairman, W. L. Allen, M. L. Pink, E. B. Thistle.

Finance: E. B. Southworth, chairman, R. W. Stewart, J. R. English.

Publicity: M. W. Lewis, chairman; J. B. Duke, G. B. Carmen.

Speakers: J. C. Brodsky, chairman, R. J. McCann, Paul Brown.

Sales: William Twamley, chairman, J. R. Rooney, T. I. Hall, W. R. Ehrmantraut, W. W. Snyder.

### Companies Support Plan

Companies that have expressed hearty sympathy with the movement and pledged their support to insure its success include: Aetna Casualty, American Employers, American Surety, Century Indemnity, Columbia Casualty, Commercial Casualty, Continental Casualty, Eagle Indemnity, Employers' Liability, Fidelity & Casualty, Fidelity & Deposit, Fireman's Fund Indemnity, Glens Falls Indemnity, Globe Indemnity, Great American Indemnity, Hartford Accident, Home Indemnity, Indemnity of North America, Maryland Casualty, Massachusetts Bonding, National Surety, New Amsterdam Casualty, New York Casualty, Royal Indemnity, Standard Accident, Standard Surety & Casualty and United States Fidelity & Guaranty.

Mr. Lewis requests suggestions as to a program of activity from all member companies. He believes if there is whole-hearted cooperation great good will come to the institution of suretyship.

### Rates Cut for Bankers on Their Name Schedule Bonds

The American Bankers Association has advised its members of changes in the A. B. A. name fidelity schedule bond, copyright 1913. This is no longer an important bond, since most banks have blanket coverage. A 24 months' discovery period has been inserted but a supersedeas clause has been included in the bond itself, so as to eliminate the possibility of the clause not being incorporated by rider.

When insurance on any employee is terminated either by discovery of loss through that employee, or by his retirement from the employ of the bank or by a written notice of termination, losses to be covered must be discovered within two years of such termination. If a bank terminates its fidelity insurance entirely because of liquidation or otherwise, any losses not discovered within two years are not recoverable under the new bond.

The new rate for banks with capital of at least \$25,000 (Class A banks) is 80 cents per \$100, instead of \$1.00. For Class B banks (those with capital of less than \$25,000), the rate is \$1.45 per \$100 up to \$5,000 on each employee, instead of \$1.85. Insurance in excess of \$5,000

on each employee is at the rate of \$1 instead of \$1.25.

Any banks desiring to continue their fidelity insurance on the A. B. A. 1913 form may do so at the reduced rates by accepting an endorsement to their bonds which will stipulate that the insurer shall not be liable for any losses not discovered prior to the expiration of 24 months from the termination of the bond as to any employee or in its entirety.

The insurance committee of the A. B. A. announces that progress is being made in its efforts, through cooperation with the Surety Association of America, to broaden and clarify the coverage afforded under bankers blanket bond No. 8-Revised. At the A. B. A. executive council meeting at Hot Springs, Va., recently the insurance committee's report explained the numerous improvements in the No. 8-revised bond already agreed upon. Adoption of the improved bond hinges upon further discussion and agreement on a few changes, and it is expected that the new form will become available in June.

There has been agitation to have No. 8 revised for commercial banks correspond to No. 8 revised for investment houses, which is now practically superseded by No. 14 revised with riders, covering such as "otherwise made way with," "damage and destruction."

### Bond in Force 47 Years

NEW YORK, May 27.—Forty-seven years ago the American Surety issued an individual fidelity bond in the amount of \$5,000 covering the secretary of a savings and loan company, with a premium of \$50. Each year thereafter the bond was renewed, the amount of the coverage being increased to \$20,000 in 1915, and since continued in that sum. Premiums from the time of issuance until now total \$2,173.13. While the rate in 1889 was \$10 per \$1,000, today it is but \$4.

### Broad Liability Policies Ready

(CONTINUED FROM PAGE 20)

sation and automobile. The comprehensive policy acts as excess cover for the fiduciary over any more specific insurance, but will also act as primary insurance where there is any oversight in direct coverage.

The comprehensive policy covers the officers, directors, executives, stockholders and managing employees of the insured fiduciary, individually and in their official capacity, as additional insureds, with respect to liability imposed upon them on account of their acts in connection with their employment, but without prejudice to insurance afforded by the policy on account of claims which might arise by reason of injuries or death sustained by any officers, directors, executives, stockholders and managing employees of the insured, as members of the public. The policy gives the usual liability insurance service in regard to investigations, defense of suits, appeals, etc.

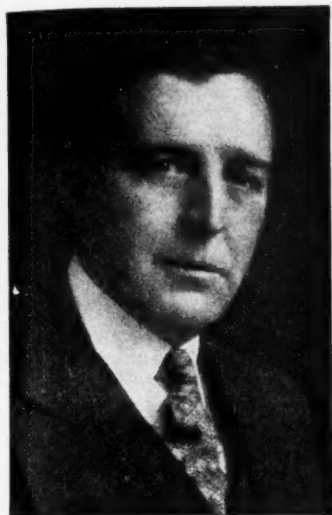
### Premium Is Interesting

The computation of premium is interesting. The assured is to keep a record of all premises and elevators in which the assured has or may acquire an interest as fiduciary during the policy term, such record to be subject to audit by company. The premium is to be paid with due consideration of properties not covered by specific liability insurance at rates as agreed upon.

An outstanding feature of both policies is an illness clause which would probably cover occupational diseases in risks where that hazard exists. This feature is being studied by several states where the policy has been filed for approval.



## June Is "Accident Month" Honoring Paul Rutherford



PAUL RUTHERFORD

A committee of executives, general agents and branch managers of the Hartford Accident has advised agents and brokers throughout the United States that June has been designated as "Rutherford Accident Insurance Month," honoring Paul Rutherford, vice-president and general manager. This announcement was made over the signatures of Joy Lichtenstein, vice-president, Pacific department, San Francisco; G. H. Moloney, vice-president western department, Chicago; H. A. Kearney, manager New York department, New York; C. F. Baker, manager southern department, Atlanta; F. E. Bradenbaugh, manager Pittsburgh branch office; C. S. Lawton, Lawton-Byrne-Bruner Agency, St. Louis; G. B. Proctor, Patterson, Wyde & Windeler, Boston; J. P. Houstoun, Houstoun & Tyler, Houston, Tex.; Wirt Wilson, Minneapolis; C. H. Hennrich, Rochester, N. Y.

All applications will be accompanied by special numbered blue stickers, some of which commemorate certain periods of Mr. Rutherford's advancement in the Hartford organization from the beginning of his service with the company in 1914, through his election as vice-president and general manager in 1934. These stickers, which accompany the applications, will be signed by the producers and will be forwarded to Mr.

Rutherford's desk under personal cover in special envelopes.

### Claim Men Hear Keeler

The Chicago Claim Association made its last meeting of the season, last Friday night, ladies' night. Wives of members were the guests of the association for the dinner served on two dining cars of the Milwaukee railroad at the Union Station by courtesy of that railroad, which brought two of its trains into the station earlier than usual so that the diners might be at the disposal of the claim men.

The meeting following the dinner was held in the assembly room of the Union Station. Two reels of moving pictures of Yellowstone Park were shown by the Milwaukee and Dr. Leonarde Keeler of the scientific crime detection laboratory of Northwestern University gave an illustrated talk on the work of the laboratory, telling of results obtained in several quite recent cases.

### "O. D." Hearing Postponed

The hearing on the Illinois occupational disease bill which was to have been held before Peter J. Angsten, chairman Illinois Industrial Commission, on Tuesday has been indefinitely postponed because of the absence of many company executives at the convention of the Illinois Association of Insurance Agents at Decatur. Much interest had been shown in the hearing, which was to take up assignment of risks under the new occupational disease law which goes into effect Oct. 1.

Because of the fact that companies are anxious to get a plan worked out, arrangements will be made to hold the hearing as soon as possible and announcements will be sent to all home offices.

### Virginia Hears Petition for Auto Rate Increase June 11

RICHMOND, VA., May 27.—The Virginia corporation commission disapproved proposed changes in rates on automobile public liability and property damage coverage but agreed to give companies a hearing on their petition for revision of rates, setting June 11. Increases ranging from 4 to 23 percent in different sections are sought on private passenger bodily injury coverage and increases ranging from 2 to 19 percent on property damage coverage on private passenger cars. The rates for bodily injury on commercial cars would be increased from 3 to 25 percent and on property damage on commercial cars decreased from 1 to 26 percent if the companies' filing is approved.

An increase of 27 percent is sought

for statewide bodily injury in garages including automobile dealers repair shops, storage garages and service stations, and a decrease of 19 percent in property damage rates. Six companies which filed deviations and fire companies writing property damage coverage will be notified to appear.

### Association Ordered Dissolved

As the result of a judgment of ouster in Cook county circuit court, the Midwest Protective Association, 160 North La Salle street, Chicago, which has been writing burglary and fraud protection on an assessment basis in Illinois, has been dissolved. The ouster order came as the result of quo-warranto proceedings filed by Attorney-General Kerner a short time ago, charging the association with writing a form of casualty insurance without a charter.

The association in its answer contended that it was not issuing insurance, but at the trial its attorneys voluntarily agreed that its operations were in violation of the law and it was accordingly declared dissolved.

### U. S. F. & G. Meetings

Manager A. C. Supplee of the Pittsburgh office of the United States Fidelity & Guaranty announces four regional meetings at Johnstown, Pa., Franklin, Pa., Wheeling, W. Va., and Youngstown, O. These will enable the speakers to obtain closer contact with the agents who will turn out in large number to hear the latest developments in fidelity bonds and burglary insurance. The company has modernized and standardized all its mercantile fidelity forms, and these up to date features will give an added incentive to production in this line.

The speakers include J. Dillard Hall, assistant agency director; A. A. Hawthorne, superintendent bond department, and Walter S. King, superintendent casualty department.

Elmer R. Porter, state agent for Pennsylvania, and Godfrey C. Huth, state agent for Ohio, will represent the Fidelity & Guaranty Fire.

### Auto Service Men Sentenced

Three former officers of the National Association of Automobiles, Jersey City, convicted of representing that they were selling insurance policies, when they were actually selling "service contracts" for towing and repairs, were sentenced in criminal court there.

Judge Erwin imposed a fine of \$1,000 on the corporation, and sentenced J. E. Biederman, president, to one year in jail and to pay a fine of \$1,000. Mrs. Bessie Miller, alleged secretary of the corporation, was placed on probation for one

year and Harry Williams, vice-president, was placed on probation for one year, under a suspended six months' jail sentence.

### Receiver for Mutual in Canada

The Western Mutual Casualty of Regina, Sask., has been placed in liquidation at the instance of Commissioner Fisher of Saskatchewan.

### Chicago-Milwaukee Outing

The first of the season's joint golf outings of the Surety Associations of Chicago and Milwaukee is to be held at the Tripoli Country Club, Milwaukee, June 23. R. E. Hall, surety manager Ocean Accident, is in charge of arrangements.

### Asks Claim Fraud Data

Superintendent Bowen of Ohio has sent letters to all life, casualty and surety companies licensed in Ohio requesting them to send to the department's bureau of investigation any information they may have, "which may reflect upon, or be concerned with, or be in any way involved with the statewide investigation of false, fraudulent, fictitious, speculative and substitutive claims against or concerning or involving insurance companies licensed to transact business in Ohio." Mr. Bowen says that representatives of the bureau are already in the field in connection with the work.

### To Entertain A. & H. Men

The Chicago Accident & Health Association is making especial preparations for entertaining the accident and health men who will attend the annual meeting of the National Accident & Health Association in Chicago next week. The chief feature will be the "open house" to be held at the Edgewater Beach hotel Tuesday afternoon, immediately following the conclusion of that day's convention session.

### Central Surety Anniversary

The Central Surety of Kansas City, which this month is completing its tenth year of existence, is marking the occasion with some activities in the home office city from June 29 to July 1. There will be a good many guests from outside the city.

### Aetna Tests on Exhibit

The reaction time and glare tests of the Aetna Casualty were exhibited in Asbury Park, N. J., during the time the Eastern Safety Conference was being held there.

## Studying for a broker's or agent's license?

### • • • Answers to 208 Life Insurance Questions of Ohio Department • • •

Every Life Insurance Agent appointed in the State of Ohio after June 30 will be required to pass an examination to secure a license to sell in that State, this examination to be conducted by the Ohio Division of Insurance.

A booklet containing the 208 questions from which the examination will be taken, together with answers prepared by The Diamond Life Bulletins in cooperation with Actuaries and C. L. U. Managers

and Agents, is now available. The answers as given are satisfactory to, and on file with, the Insurance Department of Ohio.

These questions and answers are so comprehensive that they will provide adequate study for examinations in any State. Not only is the "Life Questions with Answers" booklet indispensable for a person preparing for an examination, it is equally valuable for training new Agents or conducting weekly meetings.

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## Collision in Farm Bureau Mutual at Its Headquarters

INDIANAPOLIS, May 27.—T. Ivan King, manager of the Farm Bureau Mutual of Indiana, tendered his resignation, as did also Everett M. Smartz, underwriter, and M. E. Smith, superintendent of claims. This is the culmination of conditions which these three operators of the company say they considered detrimental to its development along sound underwriting lines. Certain officials and directors, they stated, insisted upon a policy of operation which, because of their previous underwriting experience, these three continually opposed.

The company was organized in February, 1935, under the sponsorship of the Indiana Farm Bureau which had, several months previously, resigned as Indiana state agent of the State Farm Mutual of Bloomington, Ill. Mr. King was selected as manager of the new company because of his recent experience with the Ohio Farm Bureau Insurance Company, prior to which he had sold farm insurance for the Continental. Mr. Smartz, who was appointed underwriter, had represented the Glens Falls in Indiana, the Hoosier Casualty and Old Trails, while Mr. Smith had been claim adjuster of the State Farm Mutual with headquarters at the home office in Bloomington. All are native Hoosiers and have a wide acquaintance throughout the state with those identified with agricultural interests. It is understood that the Farm Bureau Mutual of Indiana has not been examined by the insurance department since organization.

### "26 Club" to Hear Angsten

Peter J. Angsten, chairman, Illinois Industrial Commission, assisted by an attorney of the commission, will conduct a round table discussion on "New and Old Problems of Workmen's Compensation and Occupational Diseases," at the monthly meeting of the "26 Club" Thursday evening. Dr. Orlando F. Scott, director National Detection of Deception Institute, will talk on "How Medical-Legal Knowledge Can Prevent Malingering."

### To Promote Safety Campaign

NEW YORK, May 27.—At the request of Mayor LaGuardia, officials of casualty companies writing automobile public liability and property damage insurance will meet with him here tomorrow, and discuss measures for aiding the police department in its accident prevention campaign. The department has been active in seeking to reduce the auto accident toll during the past year, and feels the results achieved are but an earnest of what may be attained through effective cooperation from underwriters and others interested in the drive for greater road safety.

### Can Pass Cost to Consumers

NEW YORK, May 27.—Attorney General Bennett has ruled the cost of unemployment insurance to employers may lawfully be passed on to consumers though it may not be deducted from wages of employees.

### Move New York Uptown Office

The uptown office of the Aetna Life companies in New York City has moved to 51 East 42nd street, having been in that location some 14 years ago. For over 13 years the office has been under the supervision of H. D. Wright, who, on the occasion of the anniversary in March, was presented by agents and brokers with 101 applications for new accident and health insurance. The 42nd street branch of the Luther-Keffer agency of the com-

## Unusual Services Often Rendered Policyholders

An indication of some of the unusual services an insurance company is sometimes called upon to perform is given in a recent experience of one of the leading life and casualty companies. A stranger walked in to its Chicago branch office with a large package of money and valuable papers, stating that he had tried to find the owner and finally discovered an identification card indicating he had been a policyholder with the company. Upon investigation by branch officials, it was found the owner had held a health and accident policy but had canceled four years previously. The matter was turned over to the agent who wrote the policy and he got in touch with the owner, who is now probably convinced that policyholders' service can mean a great many things.

The same company also had a previous experience in which a set of lost keys was turned in to the office. Locating the owner, it developed that he had been robbed a day or two before and after a little more sleuthing on the part of the company, the robbers were identified and caught. Needless to say, this policyholder continues his insurance.

## Unemployment Compensation Laws Now Are Operating

WASHINGTON, May 27.—Checks totaling \$105,357 to cover costs of administering the California and Alabama state unemployment compensation laws for the quarter beginning April 1 and ending June 30, 1936, have been sent to these states, the Social Security Board announces. California, whose law will provide unemployment compensation benefits for approximately 1,587,400 workers receives \$82,355 and Alabama whose law takes under its jurisdiction approximately 256,000 workers receives \$23,002. This brings to a total of over 6,000,000 the number of those at present employed who are scheduled to have unemployment compensation benefits should they be thrown out of employment two years hence.

The Social Security Board has approved the unemployment compensation laws of Massachusetts, New Hampshire, New York, California, Oregon, Alabama, Washington, Wisconsin and the District of Columbia. As a result of this approval the board will make quarterly grants to these states for the cost of administering their laws. Furthermore, employers of eight or more in these states will be able to credit against their federal payroll tax, to the extent of 90 percent of that tax, their contributions to the unemployment compensation funds in their respective states.

### Pooled Fund Feature

The unemployment compensation laws of eight other states contain the pooled-fund feature recently upheld as constitutional in the New York state law by the court of appeals, the highest court in the state. This is shown in a summary chart of the 12 existing state unemployment compensation laws issued by the Social Security Board. The validity of the employer's reserve account system, contained in three other state laws, has not been challenged.

The nine states which provide for the pooled-type of fund, some with variations of merit rating are Alabama, California, Massachusetts, Mississippi, New Hampshire, New York, Oregon, Washington and the District of Columbia. Wisconsin and Utah have laws calling for strictly individual employer-reserve accounts while Indiana provides for a combination of the two types of funds.

pany has moved with the casualty department to the new address, where it will provide life insurance facilities.

## LATE FIRE NEWS

### Adjustment Changes Made

General Manager B. K. Clapp of the southeastern department of the Fire Companies Adjustment Bureau at Atlanta, announces the following changes:

J. W. Evans, manager at Memphis, is appointed general adjuster at Memphis, and will devote his time primarily to the handling of marine cotton losses and other important losses in that territory.

R. G. Bachman, assistant manager at Memphis, is appointed general adjuster at the Atlanta office, and will be available for service throughout the territory in connection with the more important losses.

F. C. Ellis, now senior adjuster at Nashville, is appointed manager at Memphis.

R. E. L. Turner, now senior adjuster at Memphis, is appointed assistant manager at that office.

### United Mutual Out of Syndicates

The United Mutual Fire of Boston is retiring as a member of the Improved Risk Mutuals. The Central Manufacturers Mutual of Van Wert, O., will assume its participation of 7 percent on all policies. This change also was made by the Sprinklered Risk Mutuals of Chicago, the membership of which is identical with the Improved Risk Mutuals.

### Hail Adjustments at Omaha

OMAHA, May 27.—Claims that have reached nearly \$500,000 have been settled by a corps of 40 men who took charge of the situation after the violent wind and hailstorm May 18. Most of the losses were on combination wind and hail policies or supplemental contract. In a number of instances claims were filed for damage by water, it being claimed that hail stones piled up and in melting flooded basements, thus claim being made under the hail policies.

### Scottish Union Chief in U. S.

J. G. Nicoll, general manager of the Scottish Union & National, with Mrs. Nicoll and D. M. Abbott, director of Gold, Cook & Co. of London and Mrs. Abbott arrived in New York Tuesday. They plan traveling through the eastern states and in Canada, later making headquarters at Hartford, where the chief United States office is located.

### Sterling, Col., Is Inspected

DENVER, May 27.—In the two-day fire prevention meeting at Sterling, Col., 175 risks were inspected and 151 were found defective, the report of the Mountain Field Club showed.

About 125 attended the banquet, at which J. Burr Taylor, Western Actuarial Bureau, was the principal speaker. H. A. Amonette, president Mountain Field Club, and Herbert Johnson, chairman of the program committee, presided. W. L. Braerton delivered a radio address during the meeting, explaining its purpose.

### Anthracite Outing June 24

The annual outing of the Anthracite Field Club is to be held June 24. The last meeting was held Tuesday of this week at Wilkes-Barre.

### Receive Long Service Awards

The H. S. Compton agency of the Phoenix of Hartford, Gatesville, Tex., has been presented a bronze service plaque in recognition of more than 25 years service. The R. G. Nowlin agency, Valley Mills, also received a bronze plaque in recognition of 33 years of service.

### Olney Agent to Have Outing

A. C. Roberts, local agent of Olney, Ill., is giving an outing for the field men of his companies June 22. He was host at a similar affair last year.



## Group Operation Trend Increases in Mutual Field

In the past few years, the tendency of companies to become gathered together into groups under common ownership and management, has been, of course, recognized in the stock insurance field. However, the same tendency has been going on without attracting much attention, in the mutual field. Companies have been grouped together and new ones have been started under the same management. This is a development aside from that whereunder mutual companies under different management form syndicates for producing and servicing business, such as the improved risk mutuals.

An interesting fact is that in several of these mutual groups appear either stock fire or stock casualty or stock life companies. In one or two cases, perhaps, stock companies were organized as a means of developing business among agents and policyholders who are "stock-minded."

Other mutual managements, however, started stock companies rather than mutual companies with a guarantee fund capital, because a mutual company can invest in the stock of a stock insurance company and take credit for that investment as an admitted asset. The laws of most states provide that the investment in guarantee fund capital of a mutual company cannot be credited as an admitted asset.

In the following table is shown the makeup of 25 predominantly mutual groups, each company being designated, according to its type. The 12 different groups among the factory mutuals are not included in this list.

During the past year a number of additions have been made to form these groups. For instance, the Employers Mutual Fire was organized. The State Farm Fire was launched by the Mecherle group. The Farm Bureau Mutual Automobile of Ohio started the Farm Bureau Mutual Fire and purchased the Cooperative Life. Then the Alliance Mutual Casualty was organized by the Farmers Alliance and a new group was thus formed. Herewith are the groups:

Lumbermen's Mutual Casualty (mut. cas.); American Motorists (stock cas.); National Retailers Mut. Fire (mut. fire); Glen Cove Mut. Fire (mutual fire); Federal Mut. Fire (mutual fire).

Iowa Mut. Liab. (mutual cas.); Preferred Class Mut. (mutual fire).

Utica Mutual (mutual cas.); Allied Fire (stock fire).

American Mut. Liab. (mutual cas.); American Policyholders (stock cas.); Allied Amer. Mut. Fire (mutual fire).

Liberty Mutual (mutual cas.); United Mut. Fire (mutual fire).

Hardware Mut. Cas. (mutual cas.); Hardware Mut. Fire (mutual fire); Minnesota Impl. Mut. Fire (mutual fire); Hardware Deal. Mut. Fire (mutual fire);

Employers Mutual Indemnity (mutual cas.); Employers Mutual Fire (mutual fire); Employers Mut. Liability (mutual cas.).

State Farm Mutual Auto (mutual cas.); State Farm Fire (stock fire); State Farm Life (stock life).

Farm Bureau Mut. Auto, O. (mutual cas.); Farm Bureau Mut. Fire (mutual fire); Cooperative Life (stock life).

Central Manufacturers Mut. Fire (mutual fire); Ohio Underwriters Mut. Fire (mutual fire); General Mutual Life (stock life).

Factory Mutual Liability (mutual cas.); Automobile Mutual, R. I. (mutual fire).

Celina Mutual Cas. (mutual cas.); National Mutual, O. (mutual fire); Mercer Casualty (stock cas.).

Northwestern Mutual Fire, Wash. (mutual fire);

Northwest Cas. (stock cas.).

Farmers Alliance (mutual fire); Alliance Mutual Cas. (mutual cas.).

Equity Mutual, Mo. (mutual cas.); Equity Fire (stock fire); Casualty Recip. Exch. (cas. reciprocal); Reciprocal Exch. (fire reciprocal).

Illinois Agricultural Mut. (mutual cas.); Farmers Mutual Reins. (mutual fire); Country Life (stock life).

Iowa Mut. Cas. (mutual cas.); Iowa Mutual (mutual fire).

Capital Fire, N. H. (stock fire); Underwriters Fire, N. H. (stock fire); Phenix Mutual Fire (mutual fire); Manufacturers & Merchants Mut. (mutual fire); New England Mut. Fire (mutual fire); State Fire (mutual fire).

Central Mutual of Chicago (mut. cas.); Central Mutual Plate Glass (mut. cas.).

Peerless Casualty (stock cas.); National Grange Mutual Liab. (mut. cas.); National Grange Fire (stock fire).

Atlas Mutual (mut. fire); Equitable Fire Underwriters (recip. fire); Manufacturing Lumbermen's Underwriters (recip. fire).

Home Mutual, Appleton, Wis. (mut. fire); Home Mutual Casualty (mut. cas.).

Harleysville Mutual Casualty (mut. cas.); Mutual Automobile Fire of Harleysville (mut. fire).

Reserve Mutual Casualty (mut. cas.); Reserve Mutual Fire (mut. fire), Kansas City.

Farmers Union Mutual Auto (mut. cas.); Farmers Union Life (stock life), Iowa.

## Traffic Officials Skeptical of Ohio Responsibility Law

COLUMBUS, O., May 27.—With 1,000 revocations of drivers' licenses under the Ohio financial responsibility act, traffic officials seem to be divided in their opinion as the efficacy of the measure which went into effect last August. One Columbus judge said that he had noticed little change in traffic conditions as a result of the enactment of the law but said that conditions may improve as time goes on. He thinks that the law might tempt drivers involved in accidents to become hit-skipers. A Toledo judge expressed the fear that the law was not adequately enforced at this time to produce outstanding results.

The state registrar reports that 93 percent of the revocations are for drunkenness. Eighty of the 1,000 whose licenses were revoked later filed satisfactory guarantees. More than \$880,000 of such insurance is now in force. Of the revocations 40 were in Summit county (Akron); 108 in Cuyahoga (Cleveland); 100 in Lucas (Toledo); 40 in Franklin (Columbus); 39 in Hamilton (Cincinnati), and 22 in Clark county (Springfield).

## Return of Part of Premium on Trustee Bond Is Denied

Demand for the return of part of the premium on the bond of a trustee in the reorganization of a corporation under 77B of the national bankruptcy act has been denied by the New Hampshire supreme court. The bond was \$100,000 and the premium \$1,000. The trustee was appointed, then a co-trustee was named and later the first trustee was removed, not because of any misconduct, but because of conflicting financial interests. The trustee remaining in charge demanded return of at least part of the premium on the bond of the first trustee. The supreme court held that the contract was completed upon delivery of the bond and its approval by the court. The surety became liable in the sum of \$100,000. The petition for refund of the premium was denied. The case was Smith vs. American Surety.

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Voluntary Catastrophe Reserve . . . . .	500,000.00
Reserve for Losses . . . . .	3,527,772.91
All Other Liabilities . . . . .	1,407,161.93
<b>TOTAL ASSETS . . . . .</b>	<b>10,479,639.40</b>

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# How to Map Drive for Residence Burglary Insurance Sale

By J. C. HEYER  
Vice-President  
Commercial  
Casualty

Profit in the insurance agency business is determined by the simple formula of deducting all operating expenses from earned commissions.

The amount of profit, assuming, of course, that overhead is limited within a reasonable figure, largely depends upon the wisdom applied in directing production energy.

Building a truly profitable insurance agency requires something more than merely soliciting insurance; it demands concentrated effort, with a very definite plan of selling lines of business that will remunerate labor to the greatest possible degree.

## Distinction Is Pointed Out

Survey of the insurance field discloses two classes of insurance agents, one building for the future, known to the public as the insurance man, and the other struggling with no constructive plan, referred to as "the man in the insurance business."

The insurance man projects and directs his ability to earn through the means of time far into the future in order to gain the best yield in income over the long pull, just the same as the shrewd investor projects and directs surplus funds into securities that yield the greatest income with every degree of soundness over the long pull.

It goes without saying that no agent can hope to become successful regardless of ability, under the long pull program or any other unless that agent aims production squarely in line with a very definite plan formulated so as to make possible the release of a full measure of determination.

## Big Commission Incomes

Many agents seem to have gained the impression that big commission incomes are only in the making by way of soliciting large lines. This is not a fact, as is clearly evident from past insurance history, and as proof of this contention one need only investigate the commission earnings of insurance agents specializing in the development of average renewable lines in the following classes: Personal accident, blanket residence coverage, burglary lines, public liability, professional liability, products liability.

Numerically these lines present not only the greatest field of prospects, but this field has the lowest percentage of insured risks, which proves that they offer the most fertile field.

Space will not permit comment on each of these lines so suppose we take under consideration one coverage of the several burglary classifications, residence burglary, theft or larceny, and

attempt to visualize sales possibilities by a practical common sense application.

Planning having been admitted to be essential in good prospecting, it becomes necessary to determine a workable schedule of merit with a definite objective and then have the courage to follow through.

The average town of 5,000 has at least a 10 percent prospect field, or 500 prospects for residence burglary, theft or larceny coverage.

It would seem reasonable to assume that the average agent is sufficiently acquainted in the town in which he lives and works to select 20 percent of the most likely 500 prospects, or 100 for the origination of a real residence burglary campaign.

First, card index each of the 500 prospects with such information as will permit sorting into five groups of 100 each, setting aside the selected most likely 100 names which shall constitute group one.

## Those in Group One

Group 1: Prospects whose residences are located in the most desirable residential sections and whose financial position would attract the burglar by reason of ownership of jewelry, costly rugs, expensive furs, silverware and high priced furnishings.

Group 2: Prospects from information available and subsequently collected whose situation would prove next of importance as a mark for the burglar.

Group 3, 4, 5: Each group classified by the collection of data on the 300 prospects falling into these three groups during the sales campaign on groups one and two, so as to perpetuate the residence burglary drive.

Appreciating that every active agent has many daily problems to solve in connection with essential details on fire and other lines of business, it is understood that a full time burglary selling campaign would be out of the question. However, no agent could possibly alibi himself out of a working plan that directed solicitation on this line of business when systematically coordinated with his daily rounds.

Prospects of group one should be interviewed first, and the order of calls on each regulated by including a few in a practical daily arrangement of business until all five groups have been completely and satisfactorily covered.

The average burglary premium is \$30, and your failure to recommend this form of protection to your clients only leaves the door open for other agents to gain control of such business as you now enjoy from such individuals. On the other hand, should you sell burglary to one of the other fellow's clients it paves the way for additional business.

Agents are overlooking rich opportunities in this field for increased commission earnings, as practically every property owner and tenant is a prospect.

Burglary insurance renews year after year, and the commissions are the same on each renewal as the first year.

Statistics inform us that burglaries and thefts are more frequent than fires and no home is immune to entrance by these criminals. The jewelry, silverware, rugs, furs, etc., of the middle class are just as tempting, if not more so, than the valuables of the wealthy.

The cost of protection, compared with the peace of mind afforded by a burglary policy, is insignificant. One visit by a burglar to the home would cost the individual many times the investment for protection.

Learn the coverage of a residence burglary policy thoroughly and do your

duty as the insurance man in the interest of the public.

Just a reasonable amount of work, coupled with some real determination, will do the trick, and a similar soliciting program on the renewable lines referred to in this article will form the foundation on which can be constructed a truly profitable insurance agency.

## Canadian Boiler Business

### Last Year Was Profitable

OTTAWA, CAN., May 27.—Figures for boiler and machinery insurance in Canada in 1935 indicate the business was profitable. There was a decrease of \$14,841 in boiler premiums; net premiums written in 1935 amounted to \$474,587, as compared with \$516,228 in 1934. Net losses incurred were \$30,806 as against \$33,920 in 1934. Loss ratio was 6.49 percent compared with 4.44 percent in 1934.

The total premiums for the period of 47 years is \$9,202,861 and total claims \$1,240,518, with loss ratio 13.86 percent.

## Break Up Another "Racket"

FARGO, N. D., May 27.—Another "insurance racket" was uncovered here with the arrest of E. A., W. H., and Herman Tesson, charged with endeavoring to sell "policies" of the "Protective Aid Association," alleged to be non-existent. The first two face third degree forgery charges.

In 1934 the "Consolidated Insurance Underwriters of Minneapolis," sold policies in Clay county under a somewhat similar setup, County Attorney Garrity said. That is one of the companies operated by M. E. Bean of Minneapolis, who has been repeatedly convicted of insurance frauds and twice sentenced to the workhouse.

It is understood the attention of federal authorities has been called to the Protective Aid Association case. Lists of names obtained when the arrests were made indicated the "racket" had been plied from Bismarck eastward into Minnesota.

## Bank Losses Lower

OKLAHOMA CITY, May 27.—The annual report of the Oklahoma Bankers Association shows \$19,073.24 taken in nine holdups in 1935, compared with \$44,190 taken in 29 robberies in 1934 and \$71,453.54 taken in 39 robberies in 1933. E. P. Gum, association secretary, said several factors have contributed to the improved record: The Federal Deposit Insurance Corporation requiring banks to keep 85 percent of cash under time lock day and night, the killing or imprisonment of 96 percent of bank bandits and the co-operation of "G-men" with local officers.

## Surplus Must Be \$100,000

Governor Lehman of New York has signed the bill providing that a mutual life, health and casualty company must have a surplus of at least \$100,000. He also approved the amendment to the law relative to the advertising of agents and brokers in respect to the definition of an agent.

## Bars "Bank Night Insurance"

INDIANAPOLIS, May 27.—Commissioner McClain has ordered discontinuance of certificates that have been put out by certain motion picture theaters "guaranteeing" the payment of awards to absentees whose numbers might be drawn on "bank nights." The literature also referred to its plan as "theater bank night insurance." When it came to the commissioner's attention several weeks ago he construed it as an infraction of the state's insurance code and put the question up to Attorney-general Lutz, who holds the certificates as worded "affirmatively show that they intend to insure" and that "the adver-

tisement is evidence that such certificates are sold and considered by the vendor to be insurance." The order of the commissioner does not bar "bank nights" as such but only where they issue certificates "guaranteeing" or "insuring" payment of awards under certain conditions.

## Boiler Business of Mutuals

Considerable interest is taken in the fact that the mutual companies are becoming interested in the boiler and machinery line. As a matter of fact, only two of the mutual companies are doing such a business. The Mutual Boiler of Boston is an old, established institution that has been engaged in the business for many years. Two or three years ago the Lumbermen's Mutual Casualty of Chicago started a boiler department and has been quite aggressive and successful in developing boiler premiums.

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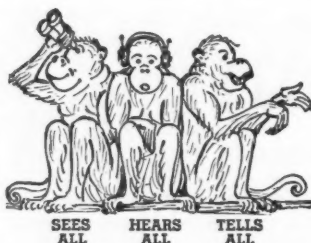
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Inspections  
Audits  
Safety  
Engineering  
Credit Reports  
Underwriting



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SERVICE BUREAU**

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**New Century Casualty Company**  
Insurance Exchange Bldg., Chicago, Illinois

**New Amsterdam**  
Casualty Company

A Progressive Surety and Casualty Company

# How to Map Drive for Residence Burglary Insurance Sale

By J. C. HEYER  
Vice-President  
Commercial  
Casualty

Profit in the insurance agency business is determined by the simple formula of deducting all operating expenses from earned commissions.

The amount of profit, assuming, of course, that overhead is limited within a reasonable figure, largely depends upon the wisdom applied in directing production energy.

Building a truly profitable insurance agency requires something more than merely soliciting insurance; it demands concentrated effort, with a very definite plan of selling lines of business that will remunerate labor to the greatest possible degree.

## Distinction Is Pointed Out

Survey of the insurance field discloses two classes of insurance agents, one building for the future, known to the public as the insurance man, and the other struggling with no constructive plan, referred to as "the man in the insurance business."

The insurance man projects and directs his ability to earn through the means of time far into the future in order to gain the best yield in income over the long pull, just the same as the shrewd investor projects and directs surplus funds into securities that yield the greatest income with every degree of soundness over the long pull.

It goes without saying that no agent can hope to become successful regardless of ability, under the long pull program or any other unless that agent aims production squarely in line with a very definite plan formulated so as to make possible the release of a full measure of determination.

## Big Commission Incomes

Many agents seem to have gained the impression that big commission incomes are only in the making by way of soliciting large lines. This is not a fact, as is clearly evident from past insurance history, and as proof of this contention one need only investigate the commission earnings of insurance agents specializing in the development of average renewable lines in the following classes: Personal accident, blanket residence coverage, burglary lines, public liability, professional liability, products liability.

Numerically these lines present not only the greatest field of prospects, but this field has the lowest percentage of insured risks, which proves that they offer the most fertile field.

Space will not permit comment on each of these lines so suppose we take under consideration one coverage of the several burglary classifications, residence burglary, theft or larceny, and

attempt to visualize sales possibilities by a practical common sense application.

Planning having been admitted to be essential in good prospecting, it becomes necessary to determine a workable schedule of merit with a definite objective and then have the courage to follow through.

The average town of 5,000 has at least a 10 percent prospect field, or 500 prospects for residence burglary, theft or larceny coverage.

It would seem reasonable to assume that the average agent is sufficiently acquainted in the town in which he lives and works to select 20 percent of the most likely 500 prospects, or 100 for the origination of a real residence burglary campaign.

First, card index each of the 500 prospects with such information as will permit sorting into five groups of 100 each, setting aside the selected most likely 100 names which shall constitute group one.

## Those in Group One

Group 1: Prospects whose residences are located in the most desirable residential sections and whose financial position would attract the burglar by reason of ownership of jewelry, costly rugs, expensive furs, silverware and high priced furnishings.

Group 2: Prospects from information available and subsequently collected whose situation would prove next of importance as a mark for the burglar.

Group 3, 4, 5: Each group classified by the collection of data on the 300 prospects falling into these three groups during the sales campaign on groups one and two, so as to perpetuate the residence burglary drive.

Appreciating that every active agent has many daily problems to solve in connection with essential details on fire and other lines of business, it is understood that a full time burglary selling campaign would be out of the question. However, no agent could possibly alibi himself out of a working plan that directed solicitation on this line of business when systematically coordinated with his daily rounds.

Prospects of group one should be interviewed first, and the order of calls on each regulated by including a few in a practical daily arrangement of business until all five groups have been completely and satisfactorily covered.

The average burglary premium is \$30, and your failure to recommend this form of protection to your clients only leaves the door open for other agents to gain control of such business as you now enjoy from such individuals. On the other hand, should you sell burglary to one of the other fellow's clients it paves the way for additional business.

Agents are overlooking rich opportunities in this field for increased commission earnings, as practically every property owner and tenant is a prospect.

Burglary insurance renews year after year, and the commissions are the same on each renewal as the first year.

Statistics inform us that burglaries and thefts are more frequent than fires and no home is immune to entrance by these criminals. The jewelry, silverware, rugs, furs, etc., of the middle class are just as tempting, if not more so, than the valuables of the wealthy.

The cost of protection, compared with the peace of mind afforded by a burglary policy, is insignificant. One visit by a burglar to the home would cost the individual many times the investment for protection.

Learn the coverage of a residence burglary policy thoroughly and do your

duty as the insurance man in the interest of the public.

Just a reasonable amount of work, coupled with some real determination, will do the trick, and a similar soliciting program on the renewable lines referred to in this article will form the foundation on which can be constructed a truly profitable insurance agency.

## Canadian Boiler Business Last Year Was Profitable

OTTAWA, CAN., May 27.—Figures for boiler and machinery insurance in Canada in 1935 indicate the business was profitable. There was a decrease of \$14,641 in boiler premiums; net premiums written in 1935 amounted to \$474,587, as compared with \$516,228 in 1934. Net losses incurred were \$30,806 as against \$33,920 in 1934. Loss ratio was 6.49 percent compared with 4.44 percent in 1934.

The total premiums for the period of 47 years is \$9,202,861 and total claims \$1,240,518, with loss ratio 13.86 percent.

## Break Up Another "Racket"

FARGO, N. D., May 27.—Another "insurance racket" was uncovered here with the arrest of E. A. W. H., and Herman Tessman, charged with endeavoring to sell "policies" of the "Protective Aid Association," alleged to be non-existent. The first two face third degree forgery charges.

In 1934 the "Consolidated Insurance Underwriters of Minneapolis," sold policies in Clay county under a somewhat similar setup, County Attorney Garrity said. That is one of the companies operated by M. E. Bean of Minneapolis, who has been repeatedly convicted of insurance frauds and twice sentenced to the workhouse.

It is understood the attention of federal authorities has been called to the Protective Aid Association case. Lists of names obtained when the arrests were made indicated the "racket" had been plied from Bismarck eastward into Minnesota.

## Bank Losses Lower

OKLAHOMA CITY, May 27.—The annual report of the Oklahoma Bankers Association shows \$19,073.24 taken in nine holdups in 1935, compared with \$44,190 taken in 29 robberies in 1934 and \$71,453.54 taken in 39 robberies in 1933. E. P. Gum, association secretary, said several factors have contributed to the improved record: The Federal Deposit Insurance Corporation requiring banks to keep 85 percent of cash under time lock day and night, the killing or imprisonment of 96 percent of bank bandits and the co-operation of "G-men" with local officers.

## Surplus Must Be \$100,000

Governor Lehman of New York has signed the bill providing that a mutual life, health and casualty company must have a surplus of at least \$100,000. He also approved the amendment to the law relative to the advertising of agents and brokers in respect to the definition of an agent.

## Bars "Bank Night Insurance"

INDIANAPOLIS, May 27.—Commissioner McClain has ordered discontinuance of certificates that have been put out by certain motion picture theaters "guaranteeing" the payment of awards to absentees whose numbers might be drawn on "bank nights." The literature also referred to its plan as "theater bank night insurance." When it came to the commissioner's attention several weeks ago he construed it as an infraction of the state's insurance code and put the question up to Attorney-general Lutz, who holds the certificates as worded "affirmatively show that they intend to insure" and that "the adver-

tisement is evidence that such certificates are sold and considered by the vendor to be insurance." The order of the commissioner does not bar "bank nights" as such but only where they issue certificates "guaranteeing" or "insuring" payment of awards under certain conditions.

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Dudley Giberson cautioned agents to watch the apportionment clause and be sure that the supplemental is attached to every fire policy. The foundation exclusion clause where coinsurance is applied should not be attached without investigation of the possibility of explosion that would necessitate rebuilding the foundations.

C. H. Brown made the point that the riot and civil commotion coverage, as part of the supplemental, may be canceled on five days notice by the company whereas the separate riot policy may not be cancelled for 90 days. Therefore, he contended, there is danger of companies canceling the supplemental if riotous conditions appear.

#### Smoke Damage Liability

Mr. Shade brought up the question of liability under the supplemental for smoke damage from an open fireplace.

Mr. Keys suggested that a forms committee be created by the Illinois association. Mr. Budelier said it would be done.

John Starky of Clinton said the agents have encountered difficulty in placing bonds for township school treasurers because some companies are refusing to bond such officials when they are succeeding themselves.

W. H. Stewart observed that it is always difficult to obtain bonds for holders.

#### License Law Administration

The afternoon session was opened by a statement of the intentions of the department in its administration of the new qualification law by J. O. Brown, who has joined the department in charge of handling the license law. He reviewed the provisions of the new act. The department, he said, will see that a list of master questions, from which examination questions will be selected, will be published. He said the department will seek to protect the real insurance agent against the unscrupulous, untrustworthy and part-time operator.

One of the agents said he knew of a field man who took the examination, posing as the local agent for whom a license was being sought.

Hiram McCullough, chief clerk of the department, said proper identification hereafter will be required.

#### Licensing of Solicitors

In answer to a question, Mr. Brown explained that solicitors and company service representatives must be licensed but are not required to qualify by written examination.

Another question brought forth the fact that state banks may not be licensed, but national banks in places of 5,000 and less may be licensed.

Mr. Brown said those now holding temporary licenses must take the examination.

There followed a period devoted to the important and heavy topic of occupational disease. R. W. Miller of Chicago led off. He said the first law providing for compensation regardless of fault, that of Switzerland in 1877, placed upon employers the obligation of caring for employees who contracted specific diseases where poisons and other harmful substances were used. Later the Swiss law was amended to schedule the poisons and other harmful substances. All the disease laws of Europe and England have been based on the theory either of scheduling the specific diseases for which compensation would be paid on scheduling the industries that would be held liable.

#### Disease Act of 1911

In Illinois the disease act of 1911 served as a basis for thousands of claims and suits that were brought during the depression to recover compensation mainly on account of silicosis and asbestosis. This developed into a great racket. O. E. Mount, head of American Steel Foundries, who was chairman of the labor-industry-insurance committee

### Sidelights of Illinois Agents Mid-Year Meet

The peripatetic reception committee of the Home set up headquarters at Decatur, where beer and cheese was served throughout the time of the mid-year convention of the Illinois Association of Insurance Agents in Decatur. William Quaid, executive vice-president of the Southern Fire, and C. Arthur Borg, advertising manager of the Home, were in charge. They have been dispensing such hospitality almost continuously since the time of the Atlanta mid-year meeting of the National Association of Insurance Agents. From Atlanta they have attended agency conventions at Baton Rouge, La., Birmingham, Columbus, Neb., Hot Springs, Ark., Fort Worth, and then Decatur. After a brief respite in New York, they will go to the Kentucky agents meeting in Louisville.

Among other Home men fraternizing at Decatur were C. D. Lasher, general manager at Chicago, T. K. Pfafflin, manager service department at Chicago, A. H. Knight, Illinois state agent, Secretary Leonard Peterson, R. E. Minner, associate state agent, Special Agent T. D. Merrell, J. T. Coen, D. E. Bopp, and Engineer O. S. Peterson.

C. C. Nicholson of Decatur, who was the first agent of the Southern Fire in Illinois, and Mr. Quaid had much in common.

C. C. Nicholson of Decatur acted as general chairman in charge of local arrangements. Lynn Clark was chairman reception committee; T. D. Johnson had charge of registrations.

M. H. Grannatt, assistant U. S. manager of the Royal-Liverpool groups, mingled with friends at the meeting.

The directors held a session until midnight Monday.

Robe Bird of Rockford, western manager of the American, accompanied State Agent J. B. Tetlow and Special Agent Knauber to the Decatur meeting.

R. W. Miller of Chicago, chairman of the casualty and surety committee, gave a breakfast for his committeemen Tuesday.

The three Hosmer brothers, one in absentia, had a prominent part in the proceedings. Brother Rockwood Hosmer gave a report as chairman of the legislative committee. Brother P. B. Hosmer, who was not present, submitted a written report as national councillor, and Brother R. C. Hosmer, president of the Excelsior of Syracuse, was a banquet speaker.

that drafted the O. D. legislation that is to become effective in Illinois Oct. 1, made a survey and discovered that of the recoveries on account of disease, only from 20-25 percent went to the claimants, the lion's share going to the lawyers.

Then several confusing court decisions were handed down and the situation became chaotic. After lengthy negotiations five companion bills were drafted and passed and become effective Oct. 1.

Unless an employer elects to come under the act, he will be liable at common law, with death limits of \$10,000 and no limits on disability benefits. Such an employer will be deprived of the cardinal defenses of assumption of risk on the part of the employee, contributing negligence on the part of the employee, and fellow servant negligence.

An employer, to come under the act, must notify the industrial commission and all employees. The definition of occupational disease, according to Mr. Miller, is generally conceded to be the best that has yet been developed.

#### May Waive Claims

Employees who have a trace of disease before Oct. 1, may waive their claim to 50 percent of benefits should they become incapacitated.

Recovery for death is limited to four years' wages with a maximum of \$5,500

and minimum \$2,500. For disability recovery will be for one-half wage with a maximum of \$20 a week and minimum \$14.

Mr. Miller analyzed the companion safety in industry acts. He said the Illinois law is the first act in the country that is independent of the regular compensation act. It is sound and beneficent legislation, he contended. How the insurance companies will handle the business remains to be seen, he declared. Some companies may stay on the sidelines until others have paved the way, he asserted. A thorough understanding of the law should be acquired by agents, he advised.

Mr. Miller was given an ovation of appreciation because of his masterful presentation of the subject.

G. H. Moloney, vice-president at Chicago for the Hartford Accident, was presented as being ready to answer questions on the O. D. situation. Mr. Moloney sat with the committee that drafted the bills. So thoroughly had Mr. Miller covered the ground, that there were no questions.

Wallace Rogers, publicity specialist of the Western Underwriters Association, explained the pro-stock bulletin service of the W. U. A. He said after the weekly service has been completed, monthly mailings will be made.

#### Banquet Program

Jeremiah McQuade, prominent local agent of Peoria was toastmaster at the banquet, and delighted his audience with Scotch yarns.

R. C. Hosmer, president Excelsior of Syracuse, was the first speaker. He recalled that 20 years ago, as president of the old Illinois State Board, he presided in Decatur at a joint meeting with the Illinois Field Club.

Unfortunately, he declared, interest in agency organizations increases when there are fights and burning issues. As a matter of fact, he declared, officers of the state and national associations are always working quietly but effectively in behalf of the rank and file and agents should not think that the agency association is useful only when it is leading a fight.

Mr. Hosmer touched on the conflict between branch offices and agents. For many years, he predicted the agency system will not be threatened in the ordinary sized town. In large cities due to the increase in number of companies the value of an agency lessened. The proprietor of an agency has less time to devote to personal production.

#### Advantage of Branch

Companies, he said, are likely to see a certain advantage in branch offices. With such a system the company has close control over the executive personnel and disturbance in the management is not likely to disturb the business.

However, he said, the average large city agent does a better job than the average branch. Such agent, he asserted, should have an even break so far as operating costs are concerned.

Mr. Hosmer cautioned against being swept away by the "magnitude of figures" pointing out that a Hartford company ran its premiums up from \$10,000,000 in 1921 to \$31,000,000 in 1924 but it lost some \$12,000,000. Then, he referred to a New Jersey company that had a meteoric rise but ultimately a headache.

The final speaker was A. J. Bidwill of River Forest, Republican nominee for state auditor. He said he has studied the insurance setup in relation to state politics. He read the plank of the Republican state convention pledging thorough and careful supervision of insurance. The Republicans are opposed to political interference in business.

The agents must make themselves influential politically if they want their way according to Mr. Bidwill. However, he didn't come out with any flat statement that if elected he would prevent receivers of state banks from corraling the insurance and would reverse the policies of the incumbent State Auditor Eddie Barrett. He hinted that

he would give a satisfactory administration, saying that he hoped to be able to appear before the same audience four years hence and get an ovation.

At the luncheon Tuesday for officers of local boards, those attending were instructed to find out how many metal highway sign boards carrying the insignia of the National and state agents associations the local boards will buy. This project was conceived by Rockwood Hosmer of Chicago. The boards which are three by eight feet will cost \$10 each if 500 are purchased. They will have the National association emblem, the word "insuror," the slogan the "Sign of Good Insurance" and the emblem of the state association.

National President K. H. Bair has indicated interest and the boards may be introduced in other states.

W. H. Jennings, Jr., Rockford, chairman local board committee, presided.

### Plate Glass Situation Now Causing Companies Concern

(CONTINUED FROM PAGE 30)

given a fair trial and that some important factors were not taken into consideration. While they agree that adoption of the policy would result in a decrease in volume, even though more business could be sold, they feel that the better loss experience enjoyed under the 50-50 plan would about offset any decrease in volume. Under the percentage plan, corner breaks and minor cracks are seldom reported, whereas under the standard policy any damage, however slight, becomes a claim and necessitates replacement. This advantage under the 50-50 policy therefore constitutes an important item.

### Small Risk Good Field for Casualty, Surety Lines

(CONTINUED FROM PAGE 20)

along Main street in any small city we pass any number of small businesses which represent real prospects for various forms of fidelity and surety bonds as well as casualty lines. Agents who develop a good volume of such business will not only have a steady income, but an increasing one, as each new form of coverage opens up possibilities for additional sales.

In commenting on the value of company and agents' associations, Mr. Dunham pointed out that although some criticism has been made that there are too many such organizations, in the long run they are well worth the cost. He quoted the following from a leading fire company executive, and stated that it could be well applied to the casualty and surety business as well: "If rationalized insurance conditions rather than haphazard are really of practical benefit to all concerned, then those companies which give time, thought, effort and money to support and development of insurance organizations and details of their work in producing stability and fair conditions are entitled to the support of the public, agents and brokers who benefit thereby."

Mr. Dunham also pointed out that the companies can perform a tremendous public service by spending a larger portion of the premium dollar for loss prevention work instead of for loss payments. "If by intelligent and well directed effort toward loss prevention, companies can improve their loss experience, and so afford to lower the cost of insurance, they have performed a real service to the public and also to the agent because, as the cost of insurance comes down, the market is broadened and sales will inevitably increase. The work of loss prevention is the responsibility of the company, agent and assured. It is the joint obligation of the agent and company to impress on the assured that in the long run companies do not make the rate but rather the assured himself, either by his adoption of reasonable safeguards to prevent losses or failure to do so."





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ACCIDENT AND CASUALTY INSURANCE COMPANY  
OF WINTERTHUR, SWITZERLAND

111 JOHN STREET  
NEW YORK

*United States Branch*

*Statement January 22, 1936*

ASSETS

U. S. Treasury Bonds and Notes . . . . .	\$1,390,291.54
Other Bonds . . . . .	484,505.00
Stocks . . . . .	137,543.87
Accrued Interest . . . . .	16,519.07
Cash in Banks . . . . .	<u>1,037,080.82</u>
	<b>\$3,065,940.30</b>

*All Securities taken at Market Value January 22, 1936.*

LIABILITIES

Voluntary Contingency Reserve . . . . .	\$ 565,940.30
Statutory Deposit, New York . . . . .	850,000.00
Net Surplus above Deposit . . . . .	<u>1,650,000.00</u>
Surplus to Policy Holders . . . . .	<u>2,500,000.00</u>
	<b>\$3,065,940.30</b>

NEAL BASSETT

*United States Manager*

111 JOHN STREET, NEW YORK



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past performance  
progressive management  
and demonstrated  
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which commend the  
**NORWICH UNION**  
to successful agents.

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# COMPANIES